

DISTRIBUTION AND WAREHOUSING



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Normalcy of Business in 1928 Is Warehousing's Forecast

Conservatism a Keynote in Opinions Expressed by the Storage Industry's Trade Association Executives—The Fact That This Is "Presidential Year" Is Not Considered a Disturbing Factor

Compiled By KENT B. STILES

THE word "conservatism" might be the apt one to select to epitomize public warehousing's expectations as to business conditions in 1928. Certainly it would appear that the leaders of the industry are looking forward with caution as the new year dawns. "Caution" is not to be interpreted as meaning "discouragement," however. Rather, the majority of the executives apparently view with hope the immediate future, and a few even are optimistic that the year will be a brighter one than 1927 proved itself. One judges that the industry will be pretty well satisfied if the twelve-months period now beginning develops steadiness and normalcy.

This article is *Distribution and Warehousing's* annual one which gives the presidents of warehousing's trade organizations an opportunity to present, for the information and guidance of the men who elected them to office, their opinions as to what the new year may bring forth, based on their experience during the year that has closed. Some fifty association executives have taken advantage of the present opportunity to set down their viewpoints, and it may be said the opinions reflect a sincere effort to forecast sanely and constructively.

No red flare of pseudo optimism has been lighted to throw a false glare on what is ahead.

Instead, the cold light of clear thinking has been directed with the hope of illuminating possible pitfalls and making warehousing's path more easy to follow.

Counsel as well as forecast is offered. This adds to the readability and value of the opinions.

The public storage executive is assumed to be a hard-headed individual in a business sense—one who maintains his mental balance under both normal and abnormal con-

ditions. His composite "look-see" into 1928 as set forth by him on the following pages indicates once more his ability to face facts squarely and judge them intelligently.

In this year's summary and forecast are represented the presidents of four national organizations—the American Warehousemen's Association, the National Furniture Warehousemen's Association, the Canadian Storage & Transfermen's Association and the National Team & Motor Truck Owners' Association; the four regional vice-presidents of the National and the presidents of the two divisions of the American; and the presidents of three regional, twenty-five State and eleven city local associations.

When approximately fifty men scattered across the continent undertake to present their ideas on a given subject it is not surprising, but, rather, is inevitable, that their opinions should differ. Such is the case here. The business ledger has its credit page and its debit. The credit page runs to greater length than the debit, but except in scattered instances the writing on this credit page may be said to be conservative, as already indicated.

We read that the country's finances and the Government's "sound, economical and sane" policies are enough to offset the "Presidential year" bugaboo that has sometimes harmed business in the past. We are reminded that resumption to more nearly normal conditions in the steel and automobile industries warrants optimism. We are told that the swing of the shipper's pendulum toward maintenance of low stocks has gone too far and that the manufacturer and the merchant realize it. We are informed that crops, oils, ores and other natural resources, together with live stock, are bringing good prices, thereby ad-

vancing the farmer's purchasing power and proportionately increasing his demand for goods that must pass through warehouses en route. And the population is increasing and accordingly this means greater consumption. Even should there come a slight depression, one executive points out, the industry will benefit by reason of commodities remaining the longer in storage. As offsetting or adverse factors, it is declared that in some cities there is too much storage space, and that the industry is hurt by the tendency toward small lot distribution. So much for the merchandise branch.

In the household goods line the association presidents are not any too sanguine as to 1928. Houses and small

apartments are in greater abundance, and some of these are rented furnished by the landlords. There is a surplus of space in some cities. Good roads, together with the development of the bus chassis and its application to long distance moving, have increased motor transport of household goods to the extent that more and more is being felt the loss of packing and shipping by rail. Normal labor conditions offer one bright spot in this branch of the industry, several of whose executives urge curtailment of expansion as to space, the rendering of maximum service to the public, and greater efficiency in operation.

The opinions of the trade association presidents as to conditions ahead follow:

National—Canadian

WAREHOUSING as a whole has enjoyed "its share of the general prosperity" during the past year, and optimism would appear to be a safe feeling when considering 1928, in the opinion of J. Edgar Lee, president of the American Warehousemen's Association, who believes that the country's finances are in such shape that there is no apprehension to be feared because we are entering a Presidential year.

"The year 1927 was a satisfactory one to members of the American Warehousemen's Association, according to information received from members of both the cold storage and merchandise divisions," to quote Mr. Lee, president of the Currier-Lee Warehouse Co., Chicago.

"It is true that some of our members, especially in the merchandise division, report having experienced the best year in their history, but these cases are the exception, since on the other hand there have been some isolated reports of some concerns complaining of unusually poor conditions. But on the whole the industry has enjoyed its share of the general prosperity. If we are inclined to listen and give heed to very recent reports of conditions now existing within certain of the basic industries, it would indeed appear to be difficult to become anything other than an optimist when forecasting conditions for the year 1928.

"While it is true that car loadings as reported by the American Railway Association have shown a very gradual decline throughout 1927 from the high mark of 1926, when car loadings exceeded 1,000,000 cars a week, there appears to be no reason why these figures should not soon be again attained with a resumption to nearer normal conditions in the steel, automobile and other leading industries.

"During 1928 a Presidential election will be held, and in former times this was considered reason enough of itself to look forward to such a time with much apprehension. Fortunately, however, it seems little should be feared from this source this year, as the nation's finances are in excellent condition and neither major party is contemplating the introduction of any issue which would seriously disturb the general business conditions.

"The fact that manufacturers, jobbers and retailers are carrying unusually small inventories is also another reason which would appear to indicate

that business must continue to be satisfactory generally, and in this particular the warehouseman is doing his part; as, were it not for the greatly improved transportation conditions, and the method of economical distribution through the use of public warehouses, the carrying of such greatly reduced stocks would not be possible.

"Consequently when consideration is given to all the favorable aspects, it would seem that we should look forward to 1928 with a very fair degree of optimism."

"A normal year ahead" for the household goods storage branch of the industry is foreseen by Schuyler C. Blackburn, president of the National Furniture Warehousemen's Association.

"I am arriving at this conclusion," continues Mr. Blackburn, who is president of the A-B-C Fireproof Warehouse Co., Kansas City, Mo., "because of the forecast of the Chamber of Commerce of the United States, and trade digests and commercial bulletins.

"Where the average conditions are normal our business is usually the same. If trade conditions are abnormal then it might mean exactly the reverse for our industry, because during flourishing times sometimes conditions do not reach normalcy, or are exceedingly good when trade conditions are bad. At best, a forecast of business conditions in our industry is only a guess."

Optimism expressed by leaders in the automobile, steel and railway industries and by Government officials has its influence on the operator of teams and trucks and so the 1928 prospect is promising for those identified with the National Team & Motor Truck Owners Association, Inc., according to that organization's president, James Simpson, Pittsburgh. To quote:

"In our business we take an inventory at the close of each year and cull out all non-productive equipment and substitute that which is new and up-to-date. Thus we are in a position to serve the public more effectively.

"The optimism expressed by the great leaders in the automobile industry has inspired us to believe that the outlook for the new year is indeed promising. They inform us that the life of a motor truck is but five years and, based on

these figures, they predict that the replacements from the year 1922 will make this the banner year for the truck manufacturer. These trucks will be purchased by the members of our association and truck users all over this country, and the members of our association will begin the new year determined that their particular business *must go on*, and, after all, is this not the policy of every well established business?

"The team and truck owner is influenced greatly by the optimism expressed by the leaders in the steel industry, the heads of our great railway systems, as well as by men like Secretary Mellon. These are all optimistic. We believe that the coal situation is improving each day and most of us look for a satisfactory adjustment in a short time.

"During 1927 visits were made to most of our large cities and conferences held with the men who haul for hire. Letters have been written to about 10,000 persons in the same line. No failures have been reported and but few complaints have been received. If any or all of them were given an opportunity to express themselves upon the outlook for 1928 they no doubt would voice the sentiments expressed here."

Canadians "can look forward to 1928 with great confidence that it will be a splendid year," in the opinion of C. F. B. Tippet, president of the Canadian Storage & Transfermen's Association.

"We in Canada feel," writes Mr. Tippet, who is president of the Howell Warehouses, Ltd., Toronto, "that every sign points toward a period of unusual industrial growth.

"This condition is drawing capital to our country and furthering the development of our natural resources. Our building program is very heavy. Our year's crop has been exceptionally good. All this is encouraging to the Canadian distribution warehouseman."

Writing as president of the merchandise division of the American Warehousemen's Association, P. L. Gerhardt, vice-president of the Bush Terminal Co., New York, looks forward to "a normal year without inflations or record breaking periods."

"It would appear that when the merchandise warehouse industry—speaking of course of the traffic handled by the distributing warehouses—closes its 1927 books," Col. Gerhardt writes, "the general trend of the results will be a lower

earning than in 1926, but not quite as low as the earnings for 1925.

"The industry in some sections will not reflect this condition, because of the sectional difficulties and the lower pressure of prosperity than may exist in other sections.

"However, it may be said that in general the distributing warehouse has bettered its results for 1927 to a degree better than 1925 but that the general result will not equal that of 1926.

"Of course in comparing one year with another, and especially when the year under comparison may be lower than the year with which it is compared, it is natural to believe that when such a lower condition exists there may be something wrong in that industry. It would be well, however, for those who find their 1927 results lower than their 1926 results, to compare the 1926 results with an average of results for previous years.

"I believe that in the warehouse industry, as well as all other industries, it will be found that 1926 was a banner year, probably in some respects a record-breaking year, and consequently when 1927 falls below such a record it is only indicative of probably an adjustment rather than a loss of business as it might first reflect.

"I believe that in bettering 1925 a steady progress has been made by the distributing warehouses which will be noted from year to year in the future, and although we may have some slight depression in the coming year in comparison with the business we enjoyed in 1926 and 1927, the stability of the distributing warehouse activities of the general industry will be found to continually develop for the better.

"I look forward to an active year in 1928, and one which will be comparable to a normal year without inflations or record-breaking periods. The warehouse industry, however, must likewise keep in mind that the cost per unit of doing business is exactly the same as in other industries, the margin of profit is small, efficiency must be gained to the highest degree and operations must be performed in the most economical way so that the utilization of the facilities may be possible in as many cases as the margin of expense will permit."

The one cloud apparent on the horizon of cold storage warehousing is the over-extension of facilities in some centers, according to Harry C. Lewis, writing as president of the cold storage division of the American Warehousemen's Association.

"The year 1927 was generally satisfactory to most of the companies located in cities where there has been a reasonable volume and turnover of the products stored," says Mr. Lewis, who is secretary of the Merchants Refrigerating Co., New York, Jersey City and Newark. "The prospects of the year to come will of course depend on conditions as they develop; that is, on the amount of perishable food products pro-

duced and the amount of space that is available for their protection.

"Generally satisfactory markets have prevailed during the past year on most products that pass through cold storage warehouses, with possibly the exception of dressed poultry, which to a certain extent is an incentive to greater production of such products during the following season; and this, together with a materially greater demand due to increased population, would possibly indicate the coming year to be a favorable one to our industry.

"To offset, however, these apparent advantages, is the over-extension of cold storage facilities in many of our large cities. This competition is already being felt in some centers, as evidenced by the decreased holdings of certain products which at this time of the year should be almost at their peak.

"Unfortunately an over-supply of space has and no doubt will continue to have the effect of causing some operating executives to disregard to a more or less extent the actual costs of doing business, with the natural disastrous results to their profit and loss account.

"It would seem, therefore, that proper investigation of already established companies, and the careful study of the necessities of additional facilities in any locality, should be the first considerations of capital seeking investment in cold storage enterprises."

The importance and benefit of good roads is more and more coming to be appreciated.—From President Coolidge's message to Congress.

The East

WALTER E. SWEETING, eastern regional vice-president of the N. F. W. A., presents his summary by propounding first the question "What's the matter with the storage business?" and then answering it.

"This question—or words of similar import—is asked, one of another, every time two or more warehousemen get together these days," writes Mr. Sweeting, who is president of the Atlas Storage Warehouse Co., Philadelphia, "because it must be frankly admitted business in the storage and moving industry has been quite unsatisfactory.

"One need not ask far for the reasons. Ours is not a basic industry. Generally speaking it prospers when business in general is good and slumps when business in general is poor. Despite boom stories in the newspapers the man on the street knows business in general was not good in 1927.

"The pendulum may not reach the end of its swing, but I am inclined to believe it has almost done so. Except for the fact that the new year is election year, and admittedly not conducive to good business, I would be convinced 1928 would be an active year in our business.

"Despite the fact that 1928 will see election of a President I believe business

conditions in our industry will be materially better than they were in 1927."

New England

IN New England, with unprofitable industries eliminated and new industries coming in, the pendulum should swing in the direction of gradual improvement, in the opinion of Samuel G. Spear, president of the Massachusetts Warehousemen's Association—although the Bay State executive comments that forecasting conditions in the storage business is something like predicting the weather for almanacs in those good old days before the turn of the century, as he reminds us:

"All sorts of conditions affect the volume of storage—all beyond our control—condition of business, size of crops, policies of manufacturers. If we could predict those factors we could then tell something about the storage future."

The following prediction nevertheless is made by Mr. Spear, who is treasurer of Wiggin Terminals, Inc., Boston:

"New England is coming back. Unprofitable industries have been largely weeded out and efficient methods are being put into force. New industries are locating here. All this means increasing raw material and manufactured products, a percentage of which should find its way into our storehouses.

"The swing of the pendulum that brought inventories so low will probably start in the other direction. The movement went too far and merchants and manufacturers are realizing it now. Demand for spot stocks in the distributing centers is increasing.

"While there is nothing to make us expect great and immediate improvement in New England warehouse business, yet we are hopeful that there will be a gradual improvement from now on."

Connecticut

THE new year's prospects in the Nutmeg State seem bright to Leonard S. Clark, president of the Connecticut Warehousemen's Association, who bases his belief on replies received in response to inquiries sent to the organization's members in Hartford, New Haven, Bridgeport and New London.

"All reports are favorable," writes Mr. Clark, who is treasurer of Henry G. Drinkwater's Sons, Inc., Greenwich. "It is expected that competition for 1928 will be particularly keen, as there seem to be a great many more trucking concerns in business than are necessary for the merchandise to be carried, and consequently the concern which goes after business is the one that will receive it.

"Collections were rather slow during the latter part of 1927 and will continue to be slow during 1928, especially in the flooded district along the Connecticut River, where the livelihoods of a great many people were washed out in the recent flood. This one condition will bring a certain amount of prosperity in the rebuilding of homes and commercial enterprises.

"The warehouses in central and north-

ern Connecticut were not particularly filled at the end of 1927, but it is expected they will be during the coming spring. Conditions are considerably better in Bridgeport since the real depression period has passed and the city is now rapidly finding itself.

"In the part of the State where Greenwich is located manufacturing is not particularly important, but we find the real estate business active, and that will necessitate a great deal of moving and storing."

Montreal

"Particularly good" is the business forecast for Montreal and vicinity as viewed by Alexander Fleming, president of the Montreal Warehousemen's Association.

"In 1927 the warehouse business here was considerably better than in 1926, notwithstanding that there is in Montreal now about four times more fireproof accommodation than in past years," writes Mr. Fleming, who is general agent of the Terminal Warehousing Co., Ltd. "All the warehouses here seem to be doing a fair business both in merchandise and cold storage."

"Montreal is growing rapidly and the 1928 prospects look particularly good. Everyone in this country is looking forward to great prosperity for the next few years. The United States have had their run and the current opinion is that it is Canada's turn."

"Competition in this city is of such a nature that it is going to cut considerably into our final returns. The fireproof warehouses are granting free insurance; that is, storage rates cover insurance. Some are also cutting away many legitimate charges for services rendered. There is a prospect, however, owing to relations being friendly among us, of having a meeting called early in the new year to consider all charges. We hope, by what John Nichols calls 'cooperative competition,' to get the warehousemen here to take a fairer view of the situation and place rates and charges where they should be. We also hope to have handling charges separated from storage, as is the custom in most other cities."

Maryland

LAWRENCE A. NAYLOR, president of the Maryland Furniture Warehousemen's Association, is not "overly optimistic," believing that this branch of the industry is facing a "shake down" similar to that experienced by other lines since the war.

"Regarding 1928 we can judge only by the past season, and from the experience of this company we believe that 1928 will be no better than 1927, and, as 1927 was even less than 1926, we naturally do not feel overly optimistic regarding 1928," writes Mr. Naylor, who is president of the Monumental Storage and Carpet Cleaning Co., Baltimore.

"Other lines of business got their shake down after the war, more or less promptly. The storage business has only just begun to realize what a shake

down means, especially those firms who have gone into the storage business since war times.

"It would therefore seem wise on the part of warehouse companies so to conduct their business that they may carry on through a protracted period of an unknown length, until better times come."

Indications that there will be an increase in the warehousing of goods in Baltimore during 1928, as compared with 1927, are seen by T. E. Witters of that city, president of the Maryland Warehousemen's Association.

"Baltimore's local consumption of all classes of commodities shows an increase from year to year," adds Mr. Witters, who is president of the Baltimore Fidelity Warehouse Co., "and there is a demand from the consumers and jobbers that ample stocks be maintained promptly to supply the requirements."

"As a port Baltimore has been rapidly growing for some years and this is bringing to the warehouses imports for distribution and exports awaiting ships."

"Baltimore warehouses depend to some extent on the storage of locally packed fruits and vegetables. The volume of this storage is determined by the crops and cannot be anticipated at this early date."

"Prior to and during the war there were built at Baltimore several modern warehouses in anticipation of continued demand for warehouse space, so that now there are first class warehouse facilities to care for a considerable increase of the tonnage now handled here."

"The West Coast has found Baltimore an economical port for the efficient handling of its products for distribution to adjacent territory, and through the Middle West. This has added somewhat to the demand for warehouse facilities."

The past year has seen a marked improvement in the general condition of agriculture. Production is better balanced and without acute shortage or heavy surplus. Costs have been reduced and the average output of the worker increased. The level of farm prices has risen, while others have fallen, so that the purchasing power of the farmer is approaching a normal figure.—From President Coolidge's message to Congress.

New Jersey

THE opening of the Holland Tube, the vehicular tunnel that connects New York with New Jersey, will be a factor for better business in the latter State in 1928, in the opinion of D. R. Crotsley, president of the New Jersey Merchandise Warehousemen's Association. Mr. Crotsley, who is vice-president of the Lehigh Warehouse and Transportation Co., Inc., Newark, writes:

"From present indications, business in general throughout this territory will show an increase over 1927, as there have been a good many new firms bringing accounts to New Jersey for storage

and for distribution in this State that have not stored here in previous years. Inquiries are continually coming in from firms located throughout the United States that are using New Jersey for a distribution center."

"A good deal of these inquiries and accounts is due to the Holland Tunnel. Now it takes only a few minutes to go from one shore to the other by truck, mileage from a good many of the warehouses being just as near for distribution in New York City as some of the warehouses located there. From present indications the inquiries should be on the increase."

"The development of Port Newark is also a big factor in the increased distribution accounts opening up in this territory."

"Two new merchandise warehouses commenced operation in Newark in 1927 and the Merchants Refrigerating Co. is building a plant which is virtually completed, so you can see that the industry is on the increase in our State. You can therefore see why we are optimistic in the opinion that tonnage should increase during 1928."

PROGRESS and profits in 1928 will be in proportion to the warehouseman's operating efficiency and sales effort, in the opinion of George Sebold, president of the New Jersey Furniture Warehousemen's Association.

"In the earlier part of 1927 general business conditions indicated that at last we had reached the end of the period of easy prosperity—that if profits were to be made it must be done through the medium of efficiency of operation, increase in sales and the rendering of a maximum of service," to quote Mr. Sebold, who is vice-president of the Weimar Storage & Trucking Co., Inc., Elizabeth. "The year 1928 will present the same conditions to the business world, but in a greater measure."

"We are returning to normal conditions, and with it comes keener competition, resulting in curtailment of labor, closer sales analysis and greater co-operation of the various avenues of business through organization work. Consolidations have been effected in 1927 and more will be had in 1928."

"In our own field—service to the public in the handling and care of its household effects—every practical means should be used to acquaint the public with the services rendered and then to follow through and render a maximum of service at a reasonable cost."

"Business always succeeds when the production, promotion and distribution of the commodity offered are coordinated and reach the stage of efficiency. The profits of 1928 will be determined solely by the amount of careful thought, aggressive effort and thorough service tendered by ourselves."

New York

CHARLES A. WINSLOW, president of the New York State Warehousemen's Association, basing his summary

on replies to an inquiry distributed to warehousemen throughout the State, writes that it seems to be their opinion "that the forecast for 1928 is not so good as it might be." Mr. Winslow, who is president of the Winslow Trucking Co., Inc., Watertown, continues:

"There seems to have been a great number of withdrawals from the warehouses, and due to the housing conditions—there has been a large number of houses built during the past year—there will not be the call for the warehousing of household goods in the coming year that there has been during the past two or three years.

"Of course this opinion is only a guess at its best. There is always something that might turn up to set on end any opinion we might give. If I were giving an opinion on our own warehousing business I would have no hesitancy in saying that we are optimistic, but inasmuch as I have written to four different parts of the State for opinions and they have all agreed that the 1928 business does not look good at the present time, I venture to say that the business thermometer for the first three months of 1928 at least will be rather low."

New York City

Production of Ford cars in great volume is seen by Ernest H. Milligan, president of the New York Furniture Warehousemen's Association, as a factor which should stimulate business generally. Mr. Milligan, who is vice-president of Lee Brothers, Inc., New York City, writes:

"I believe that most of the warehouses which were planned to be erected during recent years were completed during 1927, so that with some exceptions I do not look for increased facilities.

"Being somewhat of an optimist on 1928 business generally, I think that we should with other lines profit accordingly. It is my opinion that the operation of the Ford factories again producing their huge volume of cars will stimulate business generally, basing my thought that we are entering another period of enlarged automobile ownership. A few years ago it was freely predicted that when most of the families of moderate means of the United States had a car, the saturation point would be reached. Now I think a new era has been reached and that families who have cheap garage facilities will consider owning a second car of a smaller type.

"When it is realized what a tremendous amount of money is spread into different channels by the manufacture and sale of a million additional automobiles, it is bound to be reflected in business of every kind. Therefore I see no reason why we should not participate in the general prosperity of the country."

As president of the recently organized Furniture Warehousemen's Association of Brooklyn and Long Island, Edward T. Jenkins, president of the Long Island Storage Warehouses, Brooklyn, believes

that Brooklyn's household goods warehousemen "are on the eve of one of the best years" they have had, owing to "an over-supply of apartments" locally. Mr. Jenkins explains:

"In my experience of 37 years in the furniture storage business I find many reasons that will cause people to store their effects. First, prosperity. A large majority of people spend as they go. They will send their families to the beaches or other resorts and store their effects. Second, dissatisfaction. No apartment is satisfactory when the spring fever gets into the blood; neighbors' radio, lack of heat, noise, disagreeable neighbors. The least trouble causes dissatisfaction, and when spring comes the furniture goes in storage, and they go to the country. Third, an over-supply of apartments. When tenants find there

TO OUR CONSTITUENTS

By J. McCombie Murray

We greet you, friends, both old and new,
Who in our daily life pursue
Prosperity—with steadfast heart,
Resolving each to do his part.

An old year gone! We look ahead
With faith and courage, be it said,
To things still greater as our goal—
O'er higher aims to gain control.

We wish you all a glad New Year—
Health, wealth and joy to all held dear—
While forging forward, hand in hand,
To gain respect, o'er all the land.

"D and W"

are plenty of empty apartments they will break up, store their effects and take a chance of getting cheaper apartments in the fall, or they will get a better apartment at the same price they are now paying, and they save three or four months' rent. We find in our city that, once a storer, always one, and they are the best advertisers for a warehouse business because they talk and enthrust others to do likewise. Our study of warehouse conditions shows that 16 per cent of those who store leave furniture in storage for an indefinite length of time."

Walter F. Firth, president of the Warehousemen's Association of the Port of New York, is another executive who does not fear the "Presidential year" bugaboo but believes the prospects are bright if the Government's present policies are maintained.

"Any basis for a forecast will be fixed without question on the prosperous conditions that generally prevail throughout the nation, and the sound, economical and sane policies of our national Government," writes Mr. Firth, who is identified with the Erie Basin Stores, New York.

"If these circumstances of administration of the Federal Departments of Government are maintained, and their continuation promised in the nominations that are to be made next June,

the prospects of continued good business are assured.

"The warehouse industry is becoming more and more a factor of importance in the distribution of merchandise, and will increase its necessity with the developments of the future. As enterprise, sustained by the strong financial conditions that we possess, is bound to carry forward an enlargement of its fields of endeavor, the volume of trade will increase; and on this, fostered and supported by an Administration such as we now have at Washington, we build our hope of future business conditions."

In order to increase the efficiency of transportation and decrease its cost to the shipper, railroad consolidation must be secured. . . . Pending this, no adequate or permanent reorganization can be made of the freight-rate structure.
—From President Coolidge's message to Congress.

Pennsylvania

STATUS QUO might summarize what F. L. Harner, president of the Pennsylvania Furniture Warehousemen's Association, expects in his line of business in his State. This executive, president of the Fidelity-Twentieth Century Storage Warehouse Co., Philadelphia, holds these views:

"Nineteen Twenty-eight conditions in the storage and moving of household furniture in Pennsylvania do not promise to be very much different from the conditions of 1927. During the past year storage and cartage have returned to a more normal condition than existed the previous seven or eight years, and I believe the present conditions will continue throughout 1928.

"Labor conditions have also returned to normal, experienced men being in fair supply. Wages, however, have not changed, and it does not seem likely that they will during 1928, although rates obtained for our services have been considerably reduced, especially in the moving department. This is partly due to the competition of many new trucking companies that have entered not only the long distance field but also the local field. Many of these new operators do not belong to any association, and have very low standards of service and little financial responsibility and operate with very little overhead.

"Nineteen Twenty-eight looks like a fairly normal year, with very little change from present conditions."

If we are "to judge the immediate future by the present and the immediate past," in the opinion of James F. Keenan, secretary of the Pittsburgh Furniture Storage & Movers' Association, "there is very little hope for encouragement."

"In our experience of forty years in the transfer and storage business," writes Mr. Keenan, who is president of the Haugh & Keenan Storage & Transfer Co., and treasurer of the National Furniture Warehousemen's Association,

"we have never encountered such a depressing effect as now exists in the Pittsburgh district.

"In past periods we have profited by prosperity and thrived on adversity, and when average conditions prevailed we enjoyed a nominal measure of business.

"All in the line of our endeavor realize that good roads and the increased number of in and out of town vans have destroyed to a great extent the packing and rail shipments, but lack of house-to-house moving and the withdrawal of storage lots in excess of new similar business are fully realized but unaccounted for, particularly in view of the fact that the vast army of unemployed is increasing in number, which ordinarily should have the effect of producing new storage business."

Philip Godley, president of the Pennsylvania State Warehousemen's Association and proprietor of Godley's Storage Warehouses, Philadelphia, writes:

"From the best obtainable information our membership looks forward hopefully for a fair to good business for the coming year.

"Some concern is felt over the yearly increasing demand for services, which patrons are slow to appreciate in the way of reasonable remuneration."

The Central West

JULIAN M. GIBSON, writing as regional vice-president, central division, of the National Furniture Warehousemen's Association, "looks forward to a good year in 1928." Mr. Gibson, who is vice-president of the General Warehousing Co., St. Louis, advances these reasons for his expectations:

"First, business was generally poor during 1927 in the household storage industry, and it seems that a good year should naturally follow a poor year in storing household goods.

"Second, household goods storage has always been good following depressions in general business conditions, and general business was notably depressed during 1927.

"Third, prolonged depressions in business bring an increase in storage, and if 1928, being a Presidential election year, brings the old 'poor business in Presidential year' forecast into an actual fact, then household storage will pick up as a result of the continued business depression.

"Fourth, if my first three guesses do not materialize, and should it happen that general business is good in 1928, then household goods storage will not show an increase, but packing and shipping will, because when business is generally good, many changes of residence are made from city to city, and this means also an increase for long distance moving business for 1928.

"Local moving is always governed by local conditions and is always more or less 'spotty' in the different cities; therefore I would not venture a forecast for local moving."

Colorado

EXCEPT that the trucking business is "almost prohibitive" because of State laws, business conditions in Colorado are "generally good," according to Charles McMillan, president of the Colorado Transfer & Warehousemen's Association.

"Agriculture, livestock and tourist business have been above the average," writes this executive, who is secretary of the McMillan Transfer, Coal & Storage Co., Fort Collins. "Mining and other industries show a nice increase. With present favorable conditions it is natural to expect good times in 1928, for merchandise distribution especially. Most of this business is handled through Denver and Pueblo, but there are warehousemen in other cities well equipped for handling merchandise and produce. They are showing a nice increase each year. Transportation facilities, both railroads and highways, are good. Wholesalers and jobbers can well afford to investigate the advantages Colorado has to offer from a distribution viewpoint.

"Colorado has an unpleasant and serious situation in truck transport. The members of our association contend we are not common carriers. The Public Utilities Commission interprets the present laws to mean that we are. However, the one bright light before us is that the members of the Commission are fine, high-class gentlemen, and if Court action is necessary, we believe it will be done through a test case in a friendly way.

"A law became effective July 1 governing trucking concerns having permits granted by the Commission; these concerns pay 5 mills per ton-mile as tax, payable monthly. A bill going into effect Jan. 1 which is supposed to cover businesses doing general transfer business, or anyone having trucks for hire, requires them to pay, for example, about \$20 for a 2-ton truck as a license fee, plus \$25 for the first ton and \$15 for each additional ton or fraction thereof. In addition, we pay in most places a city license, our general taxes, and a 3-cent per gallon gas tax.

"All these taxes and licenses added together make the trucking business almost prohibitive with the present cut-throat competition. However, we believe 1928 will bring developments that will go far toward bettering conditions in this necessary and honorable business."

Illinois

"THE year 1927 has been a good year, and I think the year 1928 should be better," is the summary by Albert Peterson, the Illinois Association of Warehousemen's 1927 president. As a preamble to that opinion, Mr. Peterson, of the Railway Terminal & Warehouse Co., Chicago, writes:

"On the standpoint of general business there will be a slight recession for the year 1928, which, I think, in all probability will be more favorable to the warehousemen. We have found conditions, as business falls off, that mer-

chandise will lie longer in storage, and merchants will be forced to place merchandise in warehouses in order to get negotiable receipts for loans. This will also mean that the merchandise placed in warehouses will lie longer and will not be handled on as quick a turnover."

After conferring with leading household goods storage executives in Chicago in order to develop the consensus of their opinions, Albert H. Hollander, president of the Illinois Furniture Warehousemen's Association, expresses the view that "business in our line in 1928 will be satisfactory." The one recent fly in the ointment—and it seems now to be dying—has been the "Own Your Own Home" movement, which he holds has been injurious to the storage industry.

"It would be folly," writes Mr. Hollander, who is president of the Hollander Fireproof Warehouses, Chicago, "to try and be optimistic enough to state that it will be a better year than any other, but I do really believe that my statement that business in our line will be satisfactory in 1928 is as nearly correct as human intelligence can foresee.

"The slogan 'Own Your Own Home,' which carries with it a propaganda which the slogan explains, has been very injurious to our business. The peak seems to have been reached with the general public to satisfy the desire to 'Own Your Own Home.' According to Cook County records, there are more foreclosures on bungalows and two stories than ever before. That is an indication that a great many purchasers of their own homes are not able to meet their obligations. This generally brings about an uneasy feeling to the prospective buyer, who now in many cases seems to be imbued with the idea that to 'Own Your Own Home' one must have more than mere propaganda. Many bungalows and two-story buildings are in the market, but have no buyers. It is hardly possible to estimate the loss to the warehouse and moving industry caused by the widespread propaganda to 'Own Your Own Home.' The idea of buying a home in a cooperative apartment building also has injured our business to some extent, but the peak of the demand for that kind of a home also seems to have passed.

"There seems to be a change in the general commercial conditions of the country. These changes, I have experienced in my years as a warehouseman, are always beneficial to our line of business."

Iowa

A 1928 volume of business equal to that in 1927, with possibly some increase, is anticipated in Iowa by F. C. Eslick, president of the Iowa Warehousemen's Association, who notes general improvement in conditions during the past year.

"Crop results were fair, better than for several years," writes Mr. Eslick, who is president of the Cadwell Transfer & Storage Co., Mason City. "There was a good yield of small grain, and consider-

ably more sound corn due to late fall, what soft there was being due to late planting on account of wet spring. All crops are bringing fair prices.

"Financial conditions, due to elimination of most of the weaker financial institutions and strengthening of others, and to better crop and price conditions, are much better than for several years, and continue to improve.

"Industry throughout the State has been progressing materially. Labor has been well employed, with practically no surplus during the regular season and with plenty to meet needs at all times. While there has been no building boom, there has been a substantial building program carried on during the entire year, not so noticeable as to home as in the industrial sections.

"Basing our 1928 prediction on 1927 activities, and on conditions as they appear at the present time, it is our opinion that business in 1928 will increase only in the same proportion as general conditions become better. We expect to do just as large a volume of business in 1928 as in 1927, and possibly some increase as a result of improved conditions."

Kansas

IN Kansas there is "every indication now" that "the coming year will surpass all previous years in all lines of business and resources," according to U. O. Bryan, president of the Kansas Warehouse & Transfermen's Association—and in concluding his prophecy he comments that "it is very evident that the time has come when the East will be located west of the Mississippi." Further quoting Mr. Bryan, who is president of the Bryan-Southwest Transfer & Storage Co., Wichita:

"Our State resources for live stock of all kinds, which is about 50 per cent of our income, is in the most prosperous condition. Next to this is our income from wheat, about 25 per cent; the condition of the soil and the growing crop at this time are most encouraging all over the west belt. The other 25 per cent—oil products, poultry, mining, and corn and other farm products not mentioned heretofore—is in a healthy condition. These, coupled with building and manufacturing industries, lead us to believe that there is no reason for other than an optimistic feeling. We have numerous industries coming to the Middle West, and among these is the travel-by-air manufacturing, which has selected Wichita as the capital of the U. S. A. for this industry. We predict a marvelous business for the coming year."

Michigan

FORD car production is viewed by James D. Dunn, writing as president of the Michigan Furniture Warehousemen's Association, as a 1928 prosperity factor. He foresees "a pronounced improvement, if for no other reason than the Ford activities." He comments:

"It has repeatedly been stated that Detroit especially is dependent on Ford, but it has been very clearly demon-

strated, during the past months, that every section in this country is also affected more or less. There is no question that the Ford company resuming full operations will stimulate business all over the United States. Many lines of business already show evidence of this fact. The general outlook and hopeful attitude for the future in all enterprises are bound to show results in increased business during the year."

Reviewing 1927, Mr. Dunn, who is president of the Riverside Storage & Cartage Co., Detroit, declares that while in some respects the year did not reach expectations, "there was a feeling of security and confidence in the strength and firmness of the financial institutions," and—

"Considering storage and moving with other lines of business, I believe that the warehousemen in Detroit and Michigan must admit that business was fair."

Opinion that "everything points to unusual activity" in Detroit is expressed by L. H. Tanner, until recently president of the Detroit Furniture Warehousemen's Association.

"I honestly believe," adds Mr. Tanner, who is proprietor of the Central Storage Co., "that Detroit will see greater prosperity in 1928 than we have ever seen since the war time."

Minnesota

THE Central Northwest's "return to prosperity" is seen by Paul W. Frenzel, president of the Minnesota Warehousemen's Association, as a factor which should benefit merchandise warehousing in that section of the country.

"The Northwest is coming back," writes Mr. Frenzel, who is vice-president of the St. Paul Terminal Warehouse Co., St. Paul. "The increased volume in retail trade, mail order business, and sales of agricultural implements and supplies of all kinds give evidence of the splendid crops harvested throughout Minnesota, North and South Dakota and Montana this year. Fair prices were obtained for farm products, and the farmer for the first time in many years has spending money—money available not only for articles of prime necessity, but for luxuries as well.

"Moreover, signs point to a continued increase of good business throughout 1928, for a large portion of this year's crop is being held in expectation of higher prices. Consequently the buying power of this agricultural district, instead of waning, will carry over well into the new year. Manufacturers, who have been avoiding this section, are now beginning to develop its sales possibilities, and that promises additional stocks for storage.

"Conditions have not been good here for several years in the merchandise end of the industry, and while it is axiomatic that our business flourishes in time of general depression and slackens in the face of improving outside conditions, we believe the industry locally is bound to benefit by the Northwest's return to prosperity.

"Household goods storage has been satisfactory, and there is no reason to expect any change in 1928.

"Also, our cold storage warehousemen, who have been enjoying very favorable business in the past few years, look forward to an increasing volume during the coming year."

Missouri

THE fact that the Republican convention is to be held in Kansas City is seen by D. S. Adams, president of the Missouri Warehousemen's Association, as one factor that should be of beneficial influence in his State in 1928.

"The outlook for business in Missouri is generally good," writes Mr. Adams, who is vice-president of the Adams Transfer & Storage Co., Kansas City. "We enter the new year with a satisfactory condition existing in our trade territory. We had in 1927 an increase in production in agriculture considerably above the average for the past ten years and, in connection with this greater production, prices have been maintained at a high level. Conditions are similar with regard to live stock. 1927 was one of the very best years in our territory in the returns from marketing farm products and live stock. This healthy condition means increased activity in all lines and promises well for 1928.

"While general business conditions look promising, the condition in the warehouse industry is not as healthy as it should be. In the larger warehouse centers in this State there is available a greater supply of warehouse and loft space than is necessary to take care of the business offered, and there are proposed developments which will throw additional surplus space on the market which will be injurious not only to the new enterprises but to warehouse concerns long established.

"Prosperity of general business in Missouri depends largely on the prosperity of agriculture and livestock. While conditions in those lines have been improved in recent years the problem of disposing of a surplus of such products has not yet been solved. The decision of the Republican National Committee to hold the Republican convention at Kansas City in 1928 is an indication that the Republican Party appreciates the necessity of solving the problem and is willing to hold the party's convention in the heart of the agricultural territory.

"1928 is the Presidential year and there is no reason to suppose that this fact will have an adverse effect on business. The holding of the convention of one of the great national parties in Kansas City can have nothing but a beneficial influence in this State and in our trade territory."

Writing as president of the Kansas City Warehousemen's Association, William A. Sammis, secretary of the Central Storage Co., looks forward to "a considerably improved condition in 1928," what with "credit easy, inventories low, production becoming controlled, and, last but not least, Ford on

the job again," and he does not fear the effects of "Presidential election year." On this point Mr. Sammis comments:

"Statistics show that the condition in each Presidential year have been according to the trend of prices and conditions in the previous year, rather than showing any singular effect due to the fact that it is a Presidential election year."

And he cites figures and conditions—the composite price of thirty farm products in the district, 7 per cent higher than a year ago; purchasing power of the farmer's dollar, 11 per cent higher, "now standing at 92c."; a price advance of 50 per cent in the cattle industry, important to Kansas City.

Conditions were fair for the industry's three branches locally in 1927, Mr. Sammis writes, and 1928 should be "a good business year." He adds:

"Keen competition exists in all lines, but the majority of it is on a competitive business basis, with fair prices, considering the surplus space and equipment that are on the market."

Nebraska

WRITING as president of the Nebraska Warehouse & Transfer Association, W. W. Koller has no hesitancy in predicting "splendid business in the year 1928" for merchandise warehouses in the great corn belt and particularly along the Missouri River, due to "the wonderful crops the farmers were favored with" in 1927.

"The small grain was turned into cash, which was used to pay off the banks, storekeepers, and in the purchase of new machinery," continues Mr. Koller, who is vice-president of the Fidelity Storage & Van Co., Omaha. "The corn is now being fed into cattle and hogs which, when marketed, will give the farmer money to buy many things that he has not been able to have for a number of years. This is what we hope to cash in on."

"We feel that there are going to be a large number of national distributors who will open accounts in our warehouses so that they will have their products near the consumer when the farmer begins to buy."

"The merchandise warehouses are filled 100 per cent at the present time, as there was an enormous sugar beet crop this past year. In Omaha alone there is estimated to be 1,000,000 bags of sugar in storage."

"The furniture warehouses, moving and packing concerns are reporting business only fair, just about keeping up with the year 1926."

Ohio

INCREASED business and betterment of the warehouse industry's conditions are looked forward to by Don C. Welch, president of the Ohio Warehousemen's Association.

"It has always been our belief," writes Mr. Welch, who is manager of the Security Storage Co., Cincinnati, "that

an attitude of optimism should ever remain uppermost and while there are a few times that conditions tend to weaken our resolve we feel that, all in all, we cannot complain."

"The year 1927 was not all satisfactory compared to the previous year, but we have made a little money and cannot help but feel that conditions will soon improve and that we shall reap the reward for careful and efficient service."

"There is no question but what in dull times some movers and warehousemen are prone to cut prices in an effort to 'keep their equipment going.' We feel that this is suicidal and can only result in prolonging a return to normal prices, as well as cheapening their service, with a consequent increase in loss and damage claims."

"Members report a decrease in all departments of from 5 to 30 per cent, particularly in packing and long distance work."

"Yes, we are still optimistic and look forward to increased business in 1928 and also to a betterment of conditions affecting the industry of which we hear complaints."

In Cleveland the 1928 prospects in the household goods storage line "are none too bright," with indications pointing to "diminishing rather than an increasing business," according to Clarence J. Neal, president of the Cleveland Furniture Warehousemen's Association and treasurer of the Neal Fireproof Storage Co. His reasons he sets down as follows:

"First, general slowing up of industry has caused firms and corporations to shift fewer men from one section of the country to another, and Cleveland, being in the heart of an industrial section, feels this letting-up very quickly."

"Another contributing cause is the constant increase of small apartments in which a considerable amount of furniture is furnished by landlords. There seems to be an over-abundance of two- and three-room apartments, and among this class there is not a great deal of furniture to store. I shall therefore predict that in our industry we have ample space now built to take care of the anticipated business of 1928."

"There is a decided shrinkage in the amount of goods our industry is packing for shipment, caused of course by the increase in long distance moving. The development of the motor bus chassis and its application to the long distance moving business has now reduced our packing for shipping work at least 50 per cent, and up to date our industry has not found other sources of income whereby this loss can be made up. We are endeavoring to locate some allied business or activity with which to fill the gap."

"I believe 1928 will show considerable increase in long distance moving. Our industry must be alive to that situation and meet the conditions as they come. Long distance moving will not be as profitable to our industry as was packing and shipping."

"Therefore we must give attention to

three points. First, equipment must be of the most modern type, equipped with pneumatic tires and shock absorbers in addition, if possible, and so constructed that trucks can go long distances at fairly high speed without danger to overheating and other mechanical trouble. We find pneumatic tires and shock absorbers a fine investment in so far as claims are concerned, and they give the additional benefit of being able to travel at higher speed without damage to contents. Second, the rate that must be secured for this service will have to be based in some degree on cost of operation. We have had sufficient experience now so that it will not be hard to arrive at nearly the direct cost, and therefore warehousing should fix its rates considering other factors than mere competition. Third, advertising must now be considered an important item in this new service, as volume is going to be an important factor in successful operation."

"Nineteen twenty-eight will be a fine year for every warehouseman to examine his expense account, and there will be many items which, if eliminated, will produce a fine dividend for the investigation and study given them. Dividends are not alone secured by large operations, but are equally secured by close scrutiny of expenses. Unnecessary buying is another place where every warehouseman can well devote some of his attention."

"We are like every other industry, facing keener competition and calling for more study and attention on our part if we are to continue on the proper side of the ledger."

Wisconsin

JOHN GROOM, JR., president of the Wisconsin Warehousemen's Association, refrains from a prophecy for 1928, contenting himself with the comment that warehouses are in a position to take care of all business offered. Mr. Groom, who is president of the Merchants Storage Co., Inc., notes that warehousing in his State was active in all branches in 1927, and he continues:

"There was an increase of approximately 100,000 square feet for the storage of household goods in Milwaukee, and there is under consideration a fireproof warehouse of 105,000 square feet. In the cold storage branch in Milwaukee there was an increase of 1,000,000 cubic feet, and this branch anticipates a healthy increase for the ensuing year. In the merchandise branch of our industry in Milwaukee there has been added approximately 250,000 square feet."

"Milwaukee has plans for the erection of a warehouse, on Jones Island, of about 200,000 square feet of floor space which will be used for storage of general merchandise, cold storage, and interchange of lake and rail freight during the navigation season."

"We would estimate that the space available for the storing of merchandise is approximately 60 per cent occupied; which means that Milwaukee is in excellent shape to take care of all the business offered during the coming sea-

son. We have no reports from the State of any new warehouses being erected or contemplated during the coming year."

The problems of transportation over inland waterways should be taken up by private enterprise, so that the public will have the advantage of competition in service.
—From President Coolidge's message to Congress.

The South

IN the South, business conditions "have come forward apparently in a normal groove"—it "seems to have reached that much talked of goal, normalcy"—in the opinion of William I. Ford, southern regional vice-president of the National Furniture Warehousemen's Association.

The southern States bordering on the Mississippi River," writes Mr. Ford, who is president of the Inter-State Forwarding Co., Dallas, "are slowly recovering from the damage done by the overflow in the spring of 1927. The people of the South are looking to the present Congress to outline a program, and start same, forever to prevent such another catastrophe. It is a matter in which the entire country is vitally interested.

"Generally speaking, and from a warehouse viewpoint, it is felt that 1928 will be a better business year than 1927. Stabilized conditions, a cotton crop which yielded a stabilized price, and plenty of food crops, should bring this about.

"The warehouse business of 1927 in the southern district held its own, and I see no reason to feel that 1928 will not yield satisfactory results.

"The furniture warehousemen are continuously faced with the inter-city removals problem. This is no new subject to require comment."

Normal business with slight cause for fluctuation is foreseen, for the South, by Ernest T. Chadwell, president of the Southern Warehousemen's Association.

"In forecasting business conditions from a warehouseman's standpoint, I believe the prospects for the coming year indicate a normal business with slight cause, so far as we can see, for any decided fluctuations," writes Mr. Chadwell, who is secretary of the Herfford-Chadwell Co., Nashville, Tenn.

"In the territory embraced by the Southern Warehousemen's Association, the great activity that was caused by the Florida boom has subsided and many lots of household goods left on hand by people who were attracted to Florida are now being withdrawn from storage or sold for storage charges. In some respects that would indicate a lessening of the storage space occupied for household goods than probably a year or two ago. However, the country embraced by our association is in a most prosperous condition, and we believe that the warehousing industry in our section has a remarkable future.

"There is a great tendency for the manufacturer of the East to come south, where labor conditions are more favorable and power is less expensive, and

we find that in many of the cities that heretofore had no demand for warehousing facilities there are being started, in cities of from 5000 to 10,000 population, warehousing enterprises.

"We believe that the Southern association has a great opportunity at this time to be of real value to these smaller enterprises in assisting them to start their business on the proper basis.

"I think the condition of the warehouse business in our territory is satisfactory, and we are all facing the future with a feeling of confidence."

Alabama

"A NORMAL return on investment" may be anticipated in 1928 for the Alabama warehouse firms which economize in their operations, in the opinion of C. F. Wittichen, president of the Alabama Transfer & Warehousemen's Association.

The State's business conditions as a whole "moderately reflect the trend of the United States," writes Mr. Wittichen, who is president of the Wittichen Transfer & Warehouse Co., Birmingham. He explains:

"The consumption of warehouse products is dependent on the prosperity of the industrial and agricultural workers, and as Alabama's principal products along these lines are cotton and iron, we are necessarily dependent on the other sections of the country to consume our surplus. This fact, combined with the general slump in business usually incidental to a Presidential election year, does not indicate any particular degree of prosperity for the warehouse industry in Alabama for the coming year.

"On the brighter side of the picture, however, we have the general movement of eastern capital to the South, based on better labor conditions, cheap power and close proximity to raw material. Building permits in Birmingham, our largest city, show a substantial increase; bank clearings in the same city indicate a healthy business condition; the coal and steel industries are operating on a normal basis, and these factors, combined with the increased price of cotton, should more than offset the depression indicated in the foregoing.

"In the writer's opinion, the warehousemen in Alabama, whose operations are along the lines of strict economy, will show a normal return on investment for 1928 and will be in position to enjoy largely the wave of prosperity which should be due after the elections are over."

Jacksonville

THE opinion of Henry Wiesenfeld, president of the Jacksonville Warehousemen's Association and owner of the Wiesenfeld Warehouse Co., follows:

"We think business in 1928 will be about normal. Jacksonville, due to geographical location, is the gateway to Florida and the natural distributing point for Florida and southern Georgia. In addition to being an important railroad center, it enjoys the advantages of

low rail and water rates. Its moderate year-round temperature gives it ideal living and working conditions. All these factors are causing a steady increase in its population and its business."

Oklahoma

R. A. WEICKER, president of the Oklahoma Transfer & Warehousemen's Association, who has watched his State grow from its beginning, expresses the opinion that, although 1927 was "a banner" year for Oklahoma, "the year 1928 will surpass any previous year." He bases his conviction on the fact that the State "at this time is making its greatest progress."

"We produced in 1927," writes Mr. Weicker, who is secretary of the O. K. Transfer & Storage Co., Oklahoma City, "more petroleum than any other State; we are second in the production of cotton; second in wheat; second in corn and oats. We produce lead and zinc in great quantities. Coal is also mined extensively, and our lumber industries produce an untold amount of fine woods and lumber. With farming our chief industry, we raise most anything, and we raise cattle, hog and sheep in large quantities. Oklahoma is still growing in leaps and bounds, and will, I believe, grow at a faster speed for the next fifteen years than any other State. If you have noticed the trade map of the United States Chamber of Commerce, you will find Oklahoma one of the few States that has kept in the white. Our cities and towns have had a substantial increase in population for the past year. They have all built for the future."

Consumption continues on so great a scale that it promises to require increased output before long in view of the fact that there are no important stocks of goods to be worked off.—Col. Leonard P. Ayres, vice-president Cleveland Trust Co.

Texas

IN the Lone Star State the new year I should bring to warehousemen "a percentage of increased business," in the opinion of E. D. Balcom, president of the Texas Warehouse & Transfermen's Association, notwithstanding that they were "somewhat disappointed in the amount of increased business in the last four months of 1927."

"Texas in 1927 has produced one of the best paying general farm crops for many years, and farmers generally are in a better condition than they have been for the past ten years," writes Mr. Balcom, who is president of the Dallas Transfer & Terminal Warehouse Co.

"Again, while the price of crude oil has been at low ebb, production and bringing in of new fields have been the greatest in the history of Texas. Vast areas have been made to produce, and today show the greatest oil fields in America. These have brought to light many dormant towns which are now building to the capacities of cities and

necessarily must demand merchandise more or less passing through warehouses.

"The greatest movements in the history of Texas are the development of electrical power and natural gas to many cities, and greatly increased construction, chiefly in the building of great power dams on the various rivers. There necessarily must follow a great development in industry, bringing to the State many manufacturing projects. This reflects a rather brilliant future for business in general.

"However, the volume of merchandise passing through the warehouses up to Jan. 1, 1928, reflects but very small percentage of increased volume over 1926, excepting in household goods, which apparently reflects to this department an increase of close to 20 per cent. This will show to be true in practically all the cities in Texas where large household warehouses are maintained.

"While stocks are low in many lines, the season of 1928 on the whole should bring to the warehouse industry a percentage of increased business."

Writing as president of the Dallas Warehouse & Transfermen's Association, Mr. Balcom states that the city in 1927 "reflected a very even development in its growth," although "a percentage less than our average during the past five years." He continues:

"Business conditions have been even and reflect a rather normal prosperous year, and surveys now being made tend to show general business conditions to be good. About 1100 new industries have come to Dallas during the past year. The warehouse industry has reflected a rather good business year, all warehouses showing fairly good returns on business after giving consideration to the opening of at least three new warehouses in 1927.

"Closer cooperation and study of the business by those engaged in it have built up a better understanding of the needs, and therefore a better feeling and more prosperous reflection to the industry in general."

A better tone to the cotton market, expected increased construction and Ford production are factors which promise brighter warehousing conditions in Houston, according to R. W. Archer, president of the Houston Transfer & Storage-men's Association.

"The warehouse business here for the past several months has been quiet as compared with normal conditions obtaining at this season of the year," writes Mr. Archer, who is secretary of the D. S. Cage Company, "but it appears probable that business will pick up from now on, due to a better tone to the market on cotton and other local products, causing better business generally in this territory, coupled with the fact that stocks will be renewed following inventory. In addition, extensive construction projects in Houston and surrounding trade territory, which are expected to

start early in the new year, will increase warehouse business. And last but not least, the resumption of active business by Ford, with a large local plant, has stimulated industrial activity generally. In the meantime, with the completion of two large warehouses here the past year, the field at this time is adequately filled."

While business is not as active as in 1926, it can hardly be said to be subnormal, and the underlying fundamentals are sound.—
Secretary of the Treasury Mellon in his annual report.

The Pacific Coast

MILO W. BEKINS, Los Angeles, western regional vice-president of the National Furniture Warehousemen's Association, sees conditions unchanged along the Pacific Coast in 1928.

"Moving and storage conditions in California during 1927 were generally somewhat poorer than in 1926," to quote Mr. Bekins, who is president of the Bekins Van & Storage Co., operating a chain of household goods depositories along the seaboard. "A few of the companies report an increase in the gross volume. The majority, however, report about the same volume or slightly less. Figures seem to indicate that 1923 was the banner year in the storage business in California, and in most instances it has been difficult for companies to see any change in volume for any year since that period, 1923.

"During the past four years the building of homes, flats and apartments has been going on at an amazing rate throughout all of California. Rents have been greatly reduced.

"Conditions in the Northwest, including Oregon and Washington, were generally better in 1927 than in 1926. There has not been the large increase in dwellings. This may in some measure account for conditions being slightly better.

"During 1927 there were fewer storage buildings constructed than in the previous year. This is probably due to the lesser demand for storage.

"The California merchandise warehousemen were successful in having a bill passed in the Legislature which brings them under full control of the public utility commission, and in order for new warehouses to be built it is necessary to secure permission from the utility board, and before this can be granted it is necessary to show that public convenience and necessity exist for such a building.

"I predict that business on the Coast during 1928 will continue about the same as in 1927."

AN over-supply of household goods storage space as compared with public demand on the western seaboard makes the outlook gloomy if one tries to interpret the opinions offered by Henry M. Burgeson, president of the

Pacific Coast Furniture Warehousemen's Association. "It's hell to sell storage service when it is not needed," is one comment with which the average warehouse executive should agree.

"The past year equaled in gross receipts approximately that of 1926, and to most warehousemen 1926 was not a year that made any records," writes Mr. Burgeson, who is secretary of the Wilshire Fireproof Storage Co., Los Angeles.

"There seems to be a surplus of homes and apartments for rent, which condition never has made the storage business good, as, with this surplus, rents are reduced and goods consequently removed from storage.

"Here in southern California particularly there is not the brisk turnover in real estate we had a few years ago. This condition naturally has affected our storage and moving departments.

"The biggest reason, as I see it, is the fault of the storage companies themselves in throwing on the market an over-supply of storage space. I know of no Pacific Coast city that hasn't 50 per cent more storage space than it will require for the next five years or more. Every warehouseman knows what a condition this creates from the standpoint of competition alone. Please understand, I do believe in added competition when there is some reasonable demand for it, but it's hell to sell storage service when it is not needed and in many cases over-sold. It seems to me it is high time warehousemen arranging their expansion programs should consider the matter of supply and demand.

"From the foregoing you will readily see that I cannot forecast the business conditions here on the Coast being any better than they have been for the past year."

California

BBETTER times are in store for country warehouses in California but not necessarily for the city warehouses, in the opinion of J. W. Howell, president of the California Warehousemen's Association.

"The country warehouses should fare better as the forecast is larger plantings of the field crops, which usually means lower prices and less rapid movement into consumption," writes Mr. Howell, who is secretary of the Haslett Warehouse Co., San Francisco. "In 1927 barley scarcely hesitated on its way through the warehouses, and the storage of rice and beans was disappointingly small. Considerable improvements of country tariffs were accomplished during the year and further work is being done, the benefits of which will appear in 1928.

"In the cities we have no logical reason to expect much better times in the year to come. We will still be faced with the tendency toward small lot distributions, while our tariffs as filed with the Railroad Commission were built to cover merchandise handled in carloads. Until our basis of charges is modernized, which cannot be done until competitive

conditions are better and until the surplus of area devoted to public warehousing is absorbed by the natural increase of business, we should not expect adequate returns. The storage of imports may help the situation but their volume is an uncertainty and the recent experiences of the importers do not indicate that large stocks will be held for speculative purposes.

"The rather dismal hues of this opinion are however brightened by the realization that the industry generally understands its difficulties and with a strengthening spirit of cooperation is preparing to meet them. There should be no serious casualties before we get around the corner."

Washington State

MIGRATION of people to the Pacific Northwest will be a prosperity factory in that section in 1928, in the opinion of C. Clare Cater, president of the Washington State Warehousemen's Association, who declares that "prospects never looked more favorable for a prosperous year," especially his own State.

"While the various warehouse companies have been able to handle all the business offered," writes Mr. Cater, who is president of the Cater Transfer & Storage Co., Inc., Spokane, "several large modern warehouses have been built the past year. They will, no doubt,

receive a share of the prosperity this State seems destined to enjoy.

"Washington State produced \$50,000,000 worth more agricultural wealth in 1927 than in 1926, and the amount of moisture received this past fall assures the State of bumper crops in 1928. The manufacturers are aware of this fact and realize that if they would get their share of the additional business this locality offers they must carry stocks in our warehouses to give the required service necessary to meet competition. This, together with the strategic position Washington occupies in the shipping world, has convinced the larger concerns that there is a wonderful field in this territory.

"The favorable reports shown by bank clearings and other agencies has caused an influx of new people to this district, while the number of inquiries received by the several Chamber of Commerce bureaus indicate a much greater immigration during the coming year.

"Summing up the prospects for 1928, our people have never been more optimistic than at present, and they are properly justified."

Business is slowing down under conditions that make it appear much more probable that it will in the not distant future increase its activity again than that it is likely to continue into a protracted decline.—Col. Leonard P. Ayres, Vice-President Cleveland Trust Co.

British Columbia

"A FIRST-RATE year" is looked for in Canada's most western Province by Elmer Johnston, president of the General Cartage & Storage Association of British Columbia, who points to the development of mining, the large grain movement in the Dominion's export trade by way of Vancouver, and increased tourist figures, both rail and steamship, as factors which are giving British Columbia "a period of prosperity." The heavy tourist traffic, he points out, "releases money and creates an optimistic feeling," leading to more prosperity.

"The fruit industry also has been highly successful and good prices are being realized for the pack," continues Mr. Johnston, who is president of the Johnston Storage Co., Ltd., Vancouver. "This also creates optimism.

"The swing of business has definitely set toward British Columbia, and outside capital is flowing in to partake of the benefits of the development, which is steadily assuming extensive proportions. With the good feeling and better spending ability of the population, the handling of stocks of merchandise must consequently be greater. The warehousemen must therefore, in the regular order of things, become busy. It looks as if British Columbia will have a first-rate year."

Bills to Regulate Interstate Motor Transport Introduced Early in Seventieth Congress

By H. D. RALPH

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building.

THE first day of the Seventieth Congress saw the introduction of a bill to regulate the interstate activities of motor trucks doing a common carrier business. It was introduced by Representative James S. Parker of New York, chairman of the House Committee on Interstate and Foreign Commerce, and is practically the same as the old Cummins bill drawn up several years ago by the late Senator Cummins of Iowa, the father of much transportation legislation.

The Parker bill includes all forms of motor transportation, both trucks and buses.

At the same time there was introduced by Representative Dennison of Illinois and Senator Watson of Indiana the bill which the bus division of the American Automobile Association is sponsoring. This bill takes virtually the same form as the one introduced in the previous Congress by the same two legislators, and is modeled closely after the original Cummins measure, but includes only passenger carrying vehicles and makes no mention of trucks. The reason for this is that the

bus operators as a whole want Federal regulation while the truck operators do not; so to stick to their own business and avoid a controversy which very likely would kill the bill, the A. A. A. is going to work for the passage of its own bill at an early date.

Hearings on the Watson-Dennison, or "Three A," bill will be asked, but it is likely that they will not be held until the Interstate Commerce Commission makes public the results of its investigation into bus and truck operation throughout the country. The proposed report of Examiner Flynn, who sat with Commissioner Esch throughout those proceedings, is due for publication in the near future, and in anticipation of this the Commission has assigned Jan. 16 as a date for oral argument on the report, following which the full Commission will issue its final report. If the examiner's report is delayed for any reason the oral argument will have to be postponed in order to give all parties time to study the report before drawing up their briefs. However, Congress is not obliged to wait for the I. C. C. report, and the committees of the two Houses dealing with interstate commerce may decide to make their own study of the motor transport problem.

THE Parker bill, which has been given the designation H. R. 5640, would assign jurisdiction over interstate common carriers by motor to the public utility board, commission or officer of each State through which the carrier's route may extend, with power to form joint commissions with neighboring States. The Interstate Commerce Commission would have power where a State did not assume jurisdiction, and would have jurisdiction also when an appeal was sought from the decision or lack of agreement of the State boards. All motor carriers, both trucks and buses, would be divided into two classes. Class A would include all vehicles operating between fixed termini or over a regular route, while Class B would embrace all other operations, such as sight-seeing buses and moving vans, making an occasional interstate haul. The provisions of the Act, however, would apply with equal force to both classes of carriers.

No interstate operation could be carried on, under the terms of the Parker bill, without securing from the proper State boards or the Interstate Commerce Commission a certificate declaring that public convenience and necessity required such operation. In the case of Class B carriers, the certificate must be obtained from the State in which the carrier had its principal place of business. Present operators would be given 90 days from the passage of the Act to secure such certificates, they being required to show *bona fide* operation prior to passage of the bill.

I. C. C. Act the Pattern

The bill is modeled very largely on the provisions of the Interstate Commerce Act, and in seeking certificates of public necessity and convenience the operator would have to show its officers and form of business organization, the nature of the business proposed to be conducted, the termini and routes in the case of Class A carriers, description of the vehicles to be used, including weight and type of tires, and financial condition of the applicant. This application would be subject to publication and a public hearing.

In determining whether or not the public convenience and necessity required the granting of a certificate, the board or commission hearing such application would be directed by the Parker bill to give reasonable consideration, among other pertinent matters, to available transportation service by railroad or other existing transportation agency; to the character of service to be rendered by the applicant; to the likelihood of the proposed service being adequate, permanent and continuous; and to the effect which such service might have on any other transportation agency, the continuation of which was important to the communities served by it. The body issuing the certificate would be empowered to attach to the exercise of the rights granted such reasonable terms and conditions as to weight of load, number of passengers, continuity of operation, adequate service, the exclusion of pick-up and delivery points on routes between termini or within defined districts or localities, and as to such other matters as in its judgment the public convenience and necessity required. Such certificates would be transferable when this action was registered with the issuing bodies.

Before any certificate could be issued under this bill, each carrier would have to post a sufficient bond to pay any judgment rendered against the carrier for death or injury to passengers or loss or damage to property while in transit, or injury to other persons or property. The amount of this bond would be set by the body or bodies issuing the certificate, but an insurance policy of the proper form could be accepted instead. This bond would not be required in cases where the applicant could convince the body having jurisdiction that it had sufficient financial ability to pay any or all damages for which it might be liable as the result of negligent operation of the proposed service, and the applicant shall agree to report all accidents.

The rates, fares and charges of all interstate motor carriers must be just, reasonable, and not unduly discriminatory under the Parker bill. Class A carriers would be required to file sched-

ules of their charges with the proper State boards or the I. C. C., as the case might be, and would be forbidden to make any deviation from these schedules, through rebate or otherwise. Changes in rates could not be made except on thirty days' notice, and the body having jurisdiction could suspend the proposed rates pending an investigation of their reasonableness and necessity. In fixing rates the boards would be directed to give consideration to the effect of these rates on other transportation agencies and to avoid unreasonable competition with existing carriers, either motor or rail.

Privileges of Appeal

Any shipper, municipality, or commercial organization could bring a complaint as to rates or service, the procedure being similar to complaints against railroads brought with the Interstate Commerce Commission. Appeals from State board decisions, or from the failure of joint boards to reach a conclusion, could be brought to the Interstate Commerce Commission, with the further right of appeal to the United States Courts.

Another power given the State boards is that of setting up a uniform system of accounting for motor carriers and requiring its use. They also would have power to revoke certificates for failure to render continuous and adequate service at reasonable rates.

The Parker bill has a provision for fees, the amounts of which are left blank, to be paid by carriers receiving or transferring certificates to operate, and also provides for fines for violation of the Act or of lawfully-made regulations of the boards. The money so collected would be turned over to the Interstate Commerce Commission to be used for the administration of the Act, as far as possible being turned back to the States in which it was collected.

Practically the only difference between the Parker bill and the A. A. A. measure, H. R. 19, is that the latter does not include trucks or motor vehicles transporting property and has no provision for the collection of fees by the State boards.

Seattle Warehouse and Transfer Firms Incorporate to Pool Shipments

THE National Household Forwarding Co., forwarders of household goods exclusively, was recently incorporated under the laws of the State of Washington for \$50,000 and is owned by thirty-eight transfer companies in and near Seattle. Edwin Chapin, secretary of the Taylor-Edwards Warehouse & Transfer Co., is president.

The National was formed principally to develop a field hitherto untouched by Seattle companies. There have always been many small shipments of household goods that have been sent L. C. L. by

rail. The organizers of the new company ascertained that the average transfer company ships about 2000 pounds a month L. C. L. in trucks—sewing machines and miscellaneous lots of a few hundred pounds apiece. Hereafter these shipments will be pooled by the thirty-eight company members.

It is believed that the new service will help the transfer company to sell service to customers, and that the more business they deliver to the National under the cooperative arrangement, the more money will be made by the city's in-

dividual transfer and warehouse firms.

The company recently forwarded a car, to California, which was made up of only one lot—something more than 4000 pounds. Other shipments have been of a few hundred pounds up to 4000. The company is now shipping an average of one car a week to California and one every ten days to the East.

Each member firm ships to its own representative in each city. Some of them are looking for responsible agents in different cities to enter into reciprocal agreements.

Furniture Warehouse Industry Would Control Inter-City Removals

Company Incorporated by New York Executives Is Believed to Be Forerunner of a Long Distance Truck Agency to Operate Nationally

By KENT B. STILES

ALMOST on the eve of the National Furniture Warehousemen's Association's annual convention, at which the long distance removals of household goods by motor vehicle is expected to be one of the major features of discussion, a New York development that is significant in inter-city transport of such goods by truck brings this branch of the storage industry a step nearer the goal which the leaders in the industry hope to reach—namely, control of the business through elimination of competition which does not operate warehousing but which engages in trucking only and which by its inroads during the past few years has cut in seriously on the warehouseman's packing and shipping revenue by taking away loads which the warehouseman once sent by rail.

The New York development, indicative of a belief that long distance removals by truck will be given more attention by household goods storage executives in 1928 than any other one problem, is this:

There has been incorporated, under the sanction of the New York Furniture Warehousemen's Association, a transport agency which will be known as the Allied Inter-City Movers, Inc.

THE decision by the New York association to form an incorporation was reached unanimously at the December meeting following a report, involving a tentative plan of procedure, presented by Barrett C. Gilbert, chairman of the association's inter-city removals committee. At first it was intended to name the incorporation the "National Long Distance Moving Co., Inc.," but subsequently it was recalled that there is already operating an organization known as "National Movers, Inc." Accordingly it was deemed unwise to put a second incorporation into the field with the word "National" as part of the name. The suggestion "Allied Inter-City Movers, Inc.," came from Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, and the inference is that some such name, perhaps the same one, will be selected if the delegates to the Hollywood convention approve the plan which will be submitted by Martin Kennelly, Chicago, chairman of the National's inter-city removals committee.

Mr. Gilbert in his talk at the New

York meeting quoted a nationally known motor truck transport authority—a man who has long been engaged in moving household goods on rubber-tired wheels—as stating that if the National association would lend its cooperation to such an agency as the one contemplated it could do an annual business of \$500,000, and could do it at lower rates to the public than household goods warehousemen were now charging individually on the average.

The Object

Outlining his plan for a corporation to be set up by the New York association, Mr. Gilbert explained that "the object shall be to establish a greater contact for the moving public through advertising and solicitation and otherwise to seek to sell the services of the company through its agents and pool this business through the office of the inter-city removals bureau"—alluding to the N. F. W. A. inter-city removals bureau operating in New York City.

Mr. Gilbert's plan, which was unanimously approved in principle by the

The New York association at its December monthly meeting pledged its faith in the potential value of its incorporation by appropriating \$2,500 from its treasury as a loan to the incorporation to finance putting it under way and to bring it to the public's attention by advertising.

The step by the New York association anticipates action expected to be taken by the National Furniture Warehousemen's Association, at its meeting in Hollywood, Fla., in January, toward organizing a similar incorporation truly national in scope. If such action is taken, the incorporation organized by the New York warehousemen would be absorbed by the agency formed by the National Furniture Warehousemen's Association; or else the Allied Inter-City Movers, Inc., having already begun functioning as an incorporation, would become the parent agency into which would be fitted machinery representative of the National's members in cities throughout the country, thus turning the present New York incorporation into the one to operate nationally.

some eighty members present, provided that the new corporation should have seven directors. Its office would be that of the bureau, 2607 Broadway, and its manager would be Robert H. McCloskey, the bureau's manager. The Gilbert plan provided for the election of a president and a vice-president, and for at least four of the directors being members of the N. F. W. A., with all seven directors being members of the New York association. The plan provided further that all members of the New York association should be eligible to become agents of the incorporation, and further that:

"The agents of this company shall pool their long distance moving secured by the company and in the operation of their motor vans assigned to long distance moving shall be governed by instructions from the company, the manager or employee duly assigned to dispatch motor equipment or otherwise direct the work of the company."

Agents violating the by-laws, ethics, rules, agreements, etc., or which failed

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Public Warehousing and Economic Distribution

Number 34

More Warehouse Stocks Than Sales Agencies, or Fewer?

By H. A. HARING

"A MAN'S success," once declared W. W. Nichols of the Allis-Chalmers Co., "depends more on his capacity to learn than on any other faculty."

The "old order" of things in business is changing rapidly these years, and, with every change, men in business must learn new methods of coping with the changes. Frank Greene of Bradstreet's, in his monthly analysis of business conditions, writes:

"A predominant subject of discussion in trade and industry during the autumn has been the growing intensity of competition."

This belief is echoed by the financial editor of the New York *Herald Tribune*, who observes

"Undoubtedly a change has come over American business; the margin of profit in intensified competition has been reduced and success of business has been depending more and more on a narrow profit and large volume."

And, finally, A. W. Shaw calls attention, in the *Magazine*

of *Business* (formerly known as *System*), to the fact that competition has come to mean "appreciably harder going" for some groups of business concerns. Among these are:

1. The majority of the smaller, and not very effectively managed, industrial producers in highly competitive fields, and many of the distributors in some lines;

2. In the main, jobbers, wholesalers and middlemen—because declining prices have made their inventories persistently troublesome;

3. All backward producers and distributors, and all those unable to "keep up with the procession" in reducing costs.

Enough has been quoted from leaders of business thought to indicate that the new year is to be one of intense competition and that only those will succeed who have the capacity to learn how to meet the new conditions. Those who cannot learn will lose to more clever concerns.

The Problem

THE problem of competition has become one of selling the goods. For every factory that turns out merchandise on a mass production basis, the operation of the plant is controlled by the ability of the sales department to book orders. Sales volume dictates manufacturing quotas. Hardly a manufacturer exists in America today whose factory runs full time all the time, and the reason is that the potential output is greater than the market will absorb. The factory is, therefore, scaled down to a schedule equal to what the sales department can dispose of, because there is no purpose in accumulating vast stores of goods in advance of normal demand.

This is one of the well-known changes that has come of recent years. It is a "buyer's market" month after month.

The problem for each manufacturer is how to get a bigger share of the buyer's dollar. It is not within the province of the warehouse, either private or public, to do the selling. But it is its function, after the sale is made, to pre-

pare and ship out the goods. The selling consists of two parts: getting the order and delivering the goods. The warehouse enters the second of these two.

"Getting the order" is a matter of quality of goods, reputation of maker, skill of the salesman, and price.

"Delivering the goods" is purely a matter of servicing the customer: shipment promptly, properly packed, weight and count accurate, goods true to specifications.

With the new competition that has now possessed all trades, all these subdivisions of selling and of delivering have come to be about "par" between different makers. Customers, in a buyer's market, can choose. And among the things they do choose is small-lot deliveries—call it hand-to-mouth buying or call it what you will. Possibly at the risk of repetition, the once-famous story of "Two Gross" Bill Garver will picture what has happened everywhere throughout the country, although the story relates to New York City.

Bill Garver had been covering the Ohio territory for his firm for five years. He was promoted to the important post of district manager for the New York office. After a good-luck parting dinner, from which it took all of Sunday to recover, he landed in New York Monday morning. He was used to big cities, had of course been in New York, but somehow the city never looked so formidable as it did that morning. Even Grand Central station was crowded and confusing; it took longer to stow his bags and get a hotel room than Bill expected, but by eleven o'clock he got down to business.

He hopped a taxi and gave the address of the jobbing house his president had suggested to carry the line in New York. The man he wanted was out, and not expected back until four.

Bill left word that he would come back later, and after a fast sandwich he started to look for office space. He inspected offices until he was dizzy, but signed no dotted line until he could get the jobber's advice on the best location.

MR. HARING'S "Public Warehousing and Economic Distribution" articles, written for traffic and sales, managers, will be continued throughout 1928. The author has selected, as subjects for discussion but not necessarily in the order set down here, the following:

Breaking into the New York Market. Outline of facts needed for decision. Illustrations from successful distributors.

Freight Forwarding Companies. Their service to shippers who must send in L.C.L. lots.

The Port Warehouses. Railroad and steamship interchange.

Coast-to-Coast Shipping via Panama. Problems of stopping-in-transit. The through rate and warehousing-in-transit.

Spotting Stocks for New England. Problems faced by manufacturers elsewhere.

Mail Order Houses and Public Warehouses. How and when and why mail order institutions use public warehouses.

Department Stores and Public Warehouses. The buying program. The "returned goods evil."

Cooperative Marketing and Withholding Produce from Markets. "Orderly marketing" and "controlled withholding."

Warehouse Stocks and Taxation. State laws with relation to spot stocks, local taxes, foreign corporations, etc.

Warehousing Across the Canadian Border. The American manufacturer and Canadian markets.

When he met the jobber at four, Bill put in a bad hour and a half. The representative was cool, unenthusiastic; no pep for Bill's goods, no appreciation whatever for the fine opportunity to handle the line. He gave no help as to office location, and seemed not to care a whit whether Bill opened an office or not. On top of all that, he demanded a wider margin than any jobber in Ohio had ever had. His initial order was disappointingly small. Bill was also startled to learn that his firm was expected to warehouse a good stock in New York and give the jobber an open order for his demands. Bill's first day closed without much visible progress.

There followed many days of chagrin and waste effort—renting an office, getting warehouse space, arranging for trucking and deliveries, hiring several salesmen, a thousand other time-taking, tiring things. Then, after a couple of weeks of work trying to develop orders for the jobber to deliver, Bill discovered that his jobber's "territory" covered, not all New York, but only a radius of about two miles. Beyond that circle the jobber was just another "Unknown" to the retail trade. His company had never needed more than one jobber in any city before, not even in Chicago, but in New York a dozen seemed necessary.

Now Bill himself was a bang-up, go-getter salesman. His nickname of "Two Gross" had come three years before because of his ability to sell a store "so it stayed sold." He stocked it up for six months at a clip. Retailers in New York, however, wouldn't listen to two gross for an initial order. They would not take one gross as a gift. He argued with them to take a dozen, but, if he sold at all, it was for a broken lot of three or six.

Meanwhile time went on. Expenses ran up and up. Volume was far below expectations. Bill was worn and harassed to a state of numbness, and the letters from the Ohio office degenerated into nasty notes. The advertising they had talked about before Bill came to

New York to open that market was indefinitely postponed until dealers gave orders enough to make it justifiable. Bill was certainly not "putting it over" in the big city. He blamed New York. The firm blamed Bill. Many a time old "Two Gross" wished for his old territory back in Ohio.

The trouble, as afterward became clear to everybody, was that Bill had not perceived the change in marketing that had come into New York, and which has since that year come to the country as a whole. One of the first things each manufacturer has had to do, in learning how to sell under the new competition, is to study the market to find out what size of package or what size of order will move the most goods. It is a foregone conclusion that the size will be less than ever before. Jobbers have been meeting this situation for three years by breaking lots and selling less-than-full packages to retailers. They have appealed to the manufacturers to carton smaller lots, but often in vain; failing, they have broken packages for themselves. Not to do so meant loss of the business: it is better to sell one-fourth dozen than to sell nothing, and the retailer, in turn, cannot afford to tie up capital for a dozen.

Scores of firms are still sending out their "Two Gross" Bill Garvers only to meet with disappointment and failure. They are good firms, good men, good goods; their methods have always made good before. Under the new competition their effort is lost. Dealers want small lots; they will order nothing else. Those small lots they want instantly when the order is placed. Their stock is so small that a sale or two exhausts it. The reorder for a tiny lot of the goods must be quickly delivered, or the next sale is lost.

How Some Meet the Problem

IT was popular for a time to decry the small-lot order. Since that day when the Bethlehem Steel Co., through President Schwab, told the results of

their investigations, "sobs" over the disaster of hand-to-mouth methods disappeared. That company came to the conclusion that small-lot buying was best for the manufacturer; it did not deceive him as to actual consumption of his product; he ceased to speculate on raw materials; he, too, began to buy closer to requirements; instead of fabricating goods three months ahead of sale, the manufacturing quota was but two weeks behind sales; actual costs to make goods are less because the firm's capital is tied up for a briefer period.

Manufacturers, when they got this idea in mind, turned attention from bemoaning the demand for small lots and quick delivery. They began to plan for selling small lots and for cutting down the time of delivery; instead of quoting a date for "factory shipment," their salesmen were coached to promise "over your sills 24 hours after the order."

Manufacturers, in a word, did what the police department and the fire department long ago found necessary. Even in towns of 10,000 persons the central fire station and the central police station are inadequate. No matter how modern they be, no matter how completely manned, it is impossible to reach all parts of the city before the thief escapes or the fire gets beyond control. Separate stations, sub-stations, cost more than a single central one, but they give better protection to the citizens.

City street traffic has grown so dense that even a high-powered motor, with license to run through every traffic signal at sixty miles, is too slow.

Much the same with delivery of goods. A fine agency at Kansas City, with good men and good stocks, filling and shipping orders promptly, is too slow. For Kansas City and its first zone of trade territory all is well, but for the outlying trade area the dealer loses the order before the goods arrive. He must be able to get a supply from Topeka or Wichita or Tulsa or Joplin or Columbia.

The sales agency remains at the cen-

Public Warehousing and Economic Distribution

tral place, as Kansas City in our illustration. The selling is done as before, but the delivering is from nearest spot stock.

Montgomery-Ward, a mail-order seller, has added warehouse stocks rapidly in order to care for the needs of their 8,500,000 customers. Today they operate more than 50 mail-order plants and warehouses and retail stores. Order, if you will, from Sears-Roebuck's Philadelphia agency. The acknowledgment will come from Philadelphia, but if you live up along the Hudson, or up-State in New York, the delivery comes from Syracuse stock; even the catalog is mailed from Syracuse, because the postage is one zone cheaper!

Your *Saturday Evening Post* subscription is acknowledged from the company's office at Philadelphia. The only place where you can correspond with the company about subscriptions or editorial matter—the things you buy from them—is the same city. But if your copy is delivered to you from Philadelphia, it is because you live very close to Independence Square—the publication, for the purpose of reaching all subscribers on Thursdays without fail and without alibi, is actually mailed from these additional cities: Columbus, St. Louis, Chicago, Indianapolis, Saginaw, Des Moines, Portland (Ore.), Milwaukee, St. Paul, San Francisco, Kansas City, Savannah, Denver, Louisville, Houston, Omaha, Ogden, Jacksonville, New Orleans, Portland (Me.), Los Angeles, Richmond, Boston—23 of them.

Buick maintains 33 branches for sales and as "distributors" headquarters; the company maintains 19 additional stocks of everything an owner or his dealer could possibly want (United States alone). The other units of General Motors have similar set-ups for covering their market.

Budd Wheel Co., April 15, 1927, maintained 44 agencies within the United States, but by Sept. 1 had increased the number to 62. In addition to these, which are for selling purposes as well as deliveries, the company has more than 50 complete stocks in the same territory. Both are increasing with each month, solely for the sake of fortifying that company's dominant position as a maker of automobile wheels.

One of the makers of anhydrous ammonia (Mathieson Alkali Works) is constantly augmenting the list of cities where stocks are kept for servicing refrigerating and cold storage plants. The autumn list, 1927, gives 70 cities for such spot stocks, although the company has only six sales offices. In three cities, moreover (Chicago, New York and Providence), two spot stocks are maintained; and in two cities (Cincinnati and Philadelphia) three such stocks are kept.

The tire companies find that their competition takes the form of stocks instantly available to their retailers. Since the oncoming of balloon and semi-balloon types, and with the many truck tires, dealers find it impossible to stock all sizes. Few of them make any attempt. They rely on a nearby stock belonging to the manufacturer. In this way Firestone, as one example, has now an announced list of about 150 warehouse stocks, with the number on the increase.

Examples such as these point to one solution of the problem of prompt delivery. The concerns named find it wise to maintain warehouse stocks in greater number than their agencies. The agency is located with reference to convenience in selling the goods; but it is supplemented by many stocks allocated within the agency's territory for convenience to customers. These stocks may be found at unexpected points. Any city whose trade area shows enough volume for the product may become a warehouse point; or, as one manufacturer states his rule:

"Wherever we can use a carload a month is a place worth investigating for a spot stock. The saving on freight between the carload rate and the less-than-carload more than pays the warehouse costs. That means that it costs us nothing in the end, and it costs our dealers nothing. It is a clear gain in convenience and quick deliveries, with every thing to gain and nothing to lose."

Nor does it usually cost more to warehouse four stocks in four public warehouses than to store four times the quantity with one warehouse. Warehouse charges are so nearly uniform that, in the long run, the only addition to the cost is the slightly greater record-keeping in the home office; so far as the warehouse end is concerned the difference is slight, if any.

Relation to Salesmen's Routes

THE further the salesman travels from the agency the thinner becomes his selling. Examples are many. As one, take the Akron-Kent-Canton-Massillon area of Ohio. These cities and the half-dozen thriving others within a rather restricted section of Ohio are served about equally well from Cleveland, Columbus or Pittsburgh. Wholesalers and specialty salesmen from those three major markets cover the Ohio sector.

These salesmen can all offer reasonable deliveries, but no more. Two years ago a Pacific Coast cannery, which had always had a good volume from these cities, spotted stocks in Akron and also in Canton (only 20 miles away) to supplement stocks in the bigger markets at Cleveland, Columbus and Pittsburgh. Thus the brokers for this line of canned

goods were able to offer retailers and wholesalers five or six hours' delivery at the outside and one or two hours to favorably located ones. The brokers remained in the larger cities, but by using the telephone any dealer could reach the broker between calls of the salesmen; then, from local stocks, an order could be quickly filled.

For the 1925 "pack," that cannery sold in the given territory five times its former volume; for the 1926 "pack" the volume grew to seven times. The total net cost per year of warehousing the two stocks at Canton and Akron was under \$100—an insignificant cost when compared to sales of 500 per cent and 700 per cent.

The increase was possible because the salesmen were able to talk small stocks, quick replenishment and frequent turnover for the dealer. It is easy to believe that to the harried dealers these promises sounded "good"; the results indicate that in some way the proposition appealed.

One of the tire makers has adopted a plan of many stocks throughout the country, possibly as many as 200. The plan contemplates that all the usual selling points will be helped by the fact that any dealer, on his own requisition, will be able to get any tire and any number of it so quickly that a customer will not be lost. Not only will the 70 major jobbing cities be thus stocked but about two additional stocks to each city will be placed in other cities in between the major centers.

At the initiation of any such plan, a company has an opportunity to tie up new dealers through the sheer advantage of quick deliveries. The salesman can afford to cultivate thoroughly the area close to the spot stock for this reason. It is the reverse of the usual situation where market becomes thin as distance grows, for with spot stocks close at hand the "thin" market disappears for the particular manufacturer.

Good will for a product spreads more quickly over a small area than over a large one; great "gaps" occur in large, thin territories. The warmth of business friendship, and the enthusiasm of selling, find it impossible to jump the spots where dealers are few and far between, but as dealers handling the product come to stand nearer and nearer together a cumulative good will for the product is engendered. The non-convinced, non-interested, or plainly non-informed dealer is compelled to look kindly on the product that is stored nearer than any competing line. The more numerous the dealers who favor the product, the greater becomes consumer interest; and, as a final result, the manufacturer's

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Slogans Posted on Trucks Designed to Advertise Warehousing

*San Francisco Company Offers \$5 Each for Acceptable
"Booster" Phrases*

By ARTHUR W. VICKERY

Assistant to the President of Lawrence Warehouse Co., San Francisco

MOST warehouse companies have a fleet of trucks and their trucks spend most of their time in the haunts of the user and prospective user of public warehousing. It was realization of this situation that has led us to adopt a form of advertising that we believe to be highly effective and by far the least costly that we have yet undertaken.

As will be seen by the accompanying illustrations, we have had a series of posters made, and every truck in our fleet carries one of these boosts for public warehousing.

The thought in connection with this poster campaign has not been a selfish one and the only reason we have included our name in this publicity is because the only space available, in some instances, was where we already carried our name plates and, of course, not caring to have our trucks run about anonymously, our name was included on the posters. But the spirit of the thing is to boost public warehousing by confronting the prospective user with some of the salient reasons for his patronage expressed as concisely and snappily as possible.

"Boost the industry" has been our motive, but this move can begin to reach its possible effectiveness only through the cooperation of our fellow warehouseman, not only in our own city but nationally.

We are making new warehouse users not only in San Francisco but in Chicago, New York, New Orleans and where-not. Cooperation by warehousemen in other communities will not only bring themselves business but will help everyone in the business, in the same way that the florists' slogan "Say It with Flowers" helps all florists.

Of course there never has been and may never be again another single slogan that is as good as "Say It with Flowers." Few services can be sold as concisely as that, and certainly not the public warehouse business. Because of this fact we have adopted the policy of confronting the public with a new thought each month on the value of warehouse service.

Arrangements are now being made so

that we hope in the near future to be able to supply any warehouseman in any part of the country with copies of these posters at exactly the cost price. The contemplated poster is to be done by a special process of oil printing on heavy waterproofed cardboard.

Not only will these signs offer the necessary resistance to the elements but they are capable of withstanding a thorough washing should they become badly soiled before it is time for them to be replaced with a new message.

We would greatly appreciate suggestions for new catch phrases from our fellow warehousemen for additional posters and are paying at the rate of \$5 for each catch phrase accepted verbatim.

If the warehouse truck is destined to carry advertising on its sides, as indicated by an article* in the November issue of *Distribution and Warehousing*, let's have it warehouse advertising.

*"What 'Publibus Limited' Offers in Outdoor Advertising on Vans."



Some of the poster texts which the Lawrence Warehouse Co., San Francisco, is carrying on the sides of its trucks

W. J. Buchanan Now with Terminals Corp.

WILLIAM J. BUCHANAN, formerly with Griswold & Walker, Inc., Chicago, and later manager of the Lee Terminal & Warehouse Corp., Tampa, Fla., has joined the Minnesota-Atlantic Transit Co. as traffic manager, with headquarters in Detroit.

The Minnesota-Atlantic Transit Co. maintains an all-water merchandise transport route from the Atlantic seaboard to the head of Lake Superior in connection with business of the Terminals & Transportations Corporation of Amer-

ica, with which is identified the McDougall Terminal Warehouse, Duluth; the Detroit Railway and Harbor Terminals Corp., Detroit, and merchandise storage firms in other Lake cities.

Mr. Buchanan was at one time chairman of the traffic committee of the American Warehousemen's Association, and in that capacity prepared and filed a brief with the Interstate Commerce Commission, setting forth the association's policy with regard to railroad rate structure revision.

The Warehouseman's Right to Prevent Use of Similar Trade Names

First of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

THE records of recent higher Court litigations disclose that on many occasions newly organized warehousing firms have adopted names similar to the names of established firms. It is important to know that copying of a trade name purposely or unintentionally usually results in expensive and prolonged litigation with the final termination of the controversy being that the selected name must be abandoned and payment of heavy damages may be the penalty imposed by the Court.

Unquestionably many warehousemen have expended considerable time, labor and money in establishing a

prosperous patronage reputation and business under a distinctive name, from which competitors are benefiting by having adopted a firm name so similar that the public is misled in patronizing the later established firm while believing it to be the older one.

Therefore the purpose of this article is thoroughly and practically to review the leading higher Court decisions involving infringement of trade names. Numerous citations of important parts of the Court opinions will be given verbatim to substantiate various statements of the law.

Common Names May Be Protected

THE law is well established that no person or firm is entitled to the exclusive use of a trade name that merely describes the business to which it appertains.

For example, trade names of warehouses as "Storage and Warehousing," "Cold Storage," "Storage and Distribution," and the like, are purely descriptive of the business of warehousing and are therefore the common property of all persons who choose to adopt and use them. Only such names, symbols, or combination of words that are distinctive in an original or common sense may be appropriated as trade names.

It has been held on numerous occasions that although a firm name has been commonly used by other owners of the same kind of business in different localities, if the name has attained a secondary meaning which readily indicates a certain place of business to the public, the user of the name may prevent others from adopting it for use in the same kind of business under circumstances where the first user is likely to be damaged by the second user.

Therefore, such words as "National," "American," "Safety," "New York," "Ohio," and the like, may acquire a valuation when used in combination with other words which may be descriptive of the business, whereby the original user legally has the exclusive right to their use in the area in which the business is operated.

For illustration, in the case of *Safety Storage Co. v. Passaic County Safety Storage Co.*, 136 A. 203, decided a few months ago, it was disclosed that a person had conducted a storage business in Paterson, N. J., under the name of "Safety Storage Company" and built up a lucrative storage and warehouse business there under that name. Subsequently another person became a competitor in a like business in the same city under the name of "Passaic County Safety Storage Company."

The proprietor of the "Safety Storage Company" instituted suit against the "Passaic County Safety Storage Company," asserting that the use of the latter name was damaging to his business. The counsel for the newly organized company argued that the proprietor of the former business could not acquire an exclusive right to the word "safety" in conjunction with the remainder of the business name, as the words "storage company" are not subject to exclusive ownership. It was also contended that the term "safety storage" is as equally descriptive as the non-distinctive words "cold storage," or "general storage."

However, after the voluminous testimony was thoroughly considered by the lower and higher Courts, it is interesting to observe that the Passaic County Safety Storage Co. was held liable in damages to the owner of the Safety Storage Co. In granting an order restraining further use of the

newly adopted name, the higher Court, in part, said:

"In the absence of proof sufficient to establish the meaning of the word 'safety,' I think that the well-settled rule is that words must be taken in their usual and ordinary meaning, unless there is something to indicate to the contrary. . . . This being so, it follows that after the first user has used its present name in its business in the community where it has become known generally, and where the public has come to know it by the name adopted and used, any unfair interference with or appropriation of a dominant part of that name by a competitor, who uses it in a way which would ordinarily deceive the public into believing that such competitor is the original user to the detriment and loss of the originator of the name, is unfair business competition and should be restrained. The proofs satisfy me that all those elements are present in the use of the name 'Passaic County Safety Storage Company,' and that such name is in direct competition with the first user in its use of the name 'Safety Storage Company' in the locality in which both are conducting the same business."

In another recently decided case, *Jayns v. Meickman*, 203 Pac. 828, it was disclosed that the owner of a storage and transfer business conducted under the trade name "Active Transfer Company" sought to enjoin the use of the name "Action Transfer Company,"

Coming ~ During 1928

One Article Each Month by Mr. Parker

Void and Unenforceable Contracts.

The Law of Warehouse Receipts.

The Priority of Liens.

When Is a Warehouseman Liable for Signatures of Employees?

Liability of Warehousemen for Damages as a Result of Injuries Sustained by Employees and Other Persons.

The Law of Patents and Trademarks.

The Established Law of Contracts.

Warehouseman's Liability for Damage or Loss of Goods.

When Is a Warehouseman Who Operates Motor Trucks a Common Carrier?

Law of Warehouse Insurance.

Preventing Former Employees from Obtaining Employment from Competitors.

These eleven articles ahead, together with the author's current one which begins on the opposite page, offer a wealth of information invaluable to the public storage executive. Each text is carefully prepared with a view to imparting pertinent facts for use in the event of litigation. The warehouseman equipped with the knowledge which Mr. Parker presents in this series can safeguard himself from financial losses which might result from suits in the Courts. Mr. Parker cites numerous higher and leading Court decisions to substantiate his statements.

which had been adopted by a competitor.

The outcome of this case hinged on the similarity of the terms "Active" and "Action," because the words "Transfer Company" are purely descriptive and therefore are not the proper subject of exclusive ownership of anyone person or firm. The higher Court promptly held that the later adopted name infringed the former, and explained the law as follows:

"In solving such a question, it is necessary only that a Court be satisfied from an inspection of trade names or legends used by the parties that the one used by the defendant (Action Transfer Company) is so similar to the one used by the plaintiff (Active Transfer Company) that a deception will be the natural and probable result. It is manifest to us that such a similarity exists in the present instance. The legend 'Action Transfer Company' could not escape being viewed by the public as referring to the 'Active Transfer Company.' The first word of that legend ordinarily would not be regarded as descriptive of a transfer company or of the business conducted by it. The designation is sufficiently fanciful, to our minds, to entitle respondent to protect the use as a trade name."

Trade Mark and Trade Name

CONTRARY to the opinion of a majority of persons there is a distinct difference between a trade mark and a trade name. Briefly, a trade mark is a name, mark, symbol, or other character used to indicate a manufactured or salable product. A trade mark never is applied to business. Moreover, the latter may be registered in the United States Patent Office, but as a trade name applies exclusively to a business no provision is made for its registration except perhaps by the various States in

which protective laws have been enacted.

A trade name may be either a name, symbol, mark, slogan, or other thing that is associated with and indicates a certain business. Generally, the first user of a valid trade name enjoys the exclusive right of its use in the territory in which it is well known, because the law will not permit any person or firm to appropriate a trade mark or trade name that is so similar to another that the public is likely to be deceived.

On the other hand, if the businesses are non-analogous to which similar trade names are applied, infringement does not exist; because, where two firms are not competitors, "unfair competition," upon which all suits of this kind are based, cannot be proved.

For instance, in the very recent case of *National Cash Register Co. v. National Paper Products Co.*, 297 Fed. 351, the United States Court of Appeals held that the use of the word "National" by a paper products firm did not infringe the same word as used by The National Cash Register Co., because the business of the two firms are not similar in any respect.

A most striking example of this phase of the law of trade names is supplied by the records of a leading case (37 Ch. D. 449), in which it was held that the use of the name "Post" on an evening paper did not infringe the same name of a morning paper, for the reason that an evening paper does not compete with a morning paper.

Right to Use Own Name

VERY often the owner of a warehouse uses his name as a part of the firm name. Under these circumstances, if he is the first to use the name he is entitled to its exclusive use. Another person having the same or similar name

is liable in damages if he uses it as a part of a warehouse firm name in the same locality from which the original user of the name draws patronage. In other words, no person has a legal right to use his own name as a part or as the whole of a firm name if such use effects injury or damage to another individual or firm.

On numerous occasions it has been held that the legal right of the original user of his name to obtain a judgment for damages, or injunction to prevent another from using the name, is based on whether or not the new use results in loss or damage to the original user.

Generally, the person who has last adopted the name may avoid liability by having printed on his stationary, signs, advertisements, and the like, a notification in large type that he is not connected with the original user of the name. Otherwise he is liable.

In the case of *Baker v. Baker*, 77 Fed. 181, the Court held a man named Baker liable for infringement and ordered him to use his name in such way as to make it "plainly distinguishable" from the manner in which another person named Baker used his name in a previously established competing business. Many other cases are on record where the Courts consistently hold that, while a person cannot be denied the privilege of using his name, he must not use it in a manner designed to deceive the public.

On the other hand a person cannot adopt and use a surname similar to a competitor for the purpose of deceiving the public and obtaining patronage from the established reputation of the latter.

The oldest and leading case involving this point of the law is *Howard v. Hennriques*, 3 Sandr. 725. And prior to that litigation it was generally contended that only the names of manufactured

articles were subject to exclusive ownership of the first user.

In this case, which is often cited in present day controversies, a man named Irvin had for many years operated a hotel named "Irvin Hotel." Another person established a hotel in the same city and used the firm name "Irvin House." The proprietor of the "Irvin Hotel" instituted legal proceedings against the owner of the "Irvin House" for damages. The higher Court, in holding that the latter name infringed the former, established the law for all classes of business, as follows:

"A party will be protected in the use of a name which he has appropriated, and by his skill rendered valuable, whether the same is upon articles of personal property which he may manufacture. . . . Every man may and ought to be permitted to pursue a lawful calling in his own way. But he must not, by any deceitful or other practice, impose upon the public, and must not, by dressing himself in another man's garments, and by assuming another man's name, endeavor to deprive that man of his own individuality, and thus despoil him of the gains to which, by his industry and skill, he is fairly entitled. To make the application, if one man has, by superior knowledge, made his hotel desirable for the traveler, caused its name to become popular throughout the land, another man ought not to be permitted to assume the same name in the same town, and thus deprive him who first appropriated the name of some portion of the fruits of that goodwill which honestly belongs to him alone. *There is an abundance of names by which they can designate their hotel, and if they can, by their own efforts, by their own skill and careful attention, build up a profitable business and succeed in causing their hotel to become known and popular, they will in turn be entitled to protection against those who may seek to deprive them of the advantages which they may thus honestly acquire.*"

Use of Name Restricted

ANOTHER common source of litigation is where the owner of a warehouse, in which is used his own name, sells the business with the distinct understanding that the purchaser intends to use the same trade name, and then establishes a competing business in the same locality and attempts to use his name in the trade name of the new business.

In the case of *Wright Co. v. Seattle Co.*, 122 Pac. 348, the testimony disclosed that a proprietor named "Chauncey Wright" organized a company which was duly incorporated under a changed firm name. Later Wright opened a competing business and had painted on the window, and other signs, the name "Chauncey Wright."

The stockholders of the old corporation instituted legal proceedings to prevent Wright from displaying his name in the competing business. And in view of the testimony that Wright had agreed to having his name used in the old busi-

ness, the Court promptly ordered the use of the name "Chauncey Wright" discontinued in the new business, and said:

"It was also agreed that the name 'Chauncey Wright' should remain upon the window, and the business of the corporation should be conducted in that name. Unquestionably, the right to use the name as a trade name passed to the corporation by the consent of all parties concerned. While every person has undoubted right to use his own name to his own business, he cannot so use it as to unfairly compete with another with whose business that name has become identified and rightfully used as a trade name." (Also, see 224 F. 932.)

However, this latter case should not confuse the reader into believing that a warehouseman who sells his business, without an understanding that the purchaser intends to operate the business under the same name, may not use his name in a competing firm. In fact a warehouseman who sells his business may use his name in a competing business, if it can be proved that he has not agreed that he will not establish a competing business.

For illustration, in *The Batchelder Co. v. C. H. Batchelder*, 107 N. E. 455, it was disclosed that a corporation was chartered as "The C. H. Batchelder Company," with C. H. Batchelder being a stockholder. Later Mr. Batchelder disposed of all of his stock and after the company was reorganized he set up a competing business, using his own name as a part of the firm name. The corporation sued Mr. Batchelder, asking for damages and an order from the Court restraining the latter from using his name in connection with the newly established business.

During the trial testimony was introduced showing that Mr. Batchelder was conducting the new business at his dwelling and solicited the patronage of those who previously had traded with him and the company. However, in each instance of solicitation he had explained to persons from whom he solicited business that he no longer was connected with the former company and that he had established a new business.

In the face of this testimony, and as the evidence failed to show unfair competition, the Court, in holding Mr. Batchelder not liable, in effect said:

"It is further found that, except for the similarity of names, the public have not been misled; but as the names of the business are similar some confusion has resulted whereby customers intending to trade with the corporation have purchased of the corporation under the impression that he was connected with the company. . . . The right to use his own name in earning a livelihood should not be taken away, and, being under no contractual obligation to the corporation to refrain from soliciting customers wherever he can find them, so long as he does not represent himself as being the C. H. Batchelder Company, it has not made out a case for equitable relief."

Street Number Is Valid Trade Name

SOMETIMES the owner of a business conspicuously displays a symbol or slogan with which the public became familiar and associates it with the business. For instance, in a recent case it was shown that a person had operated a business for a long period and identified it by the name of the street on which it was situated. Later he moved his business to a different street. Another person rented the vacated building and established a competing business under the name used by the person who formerly occupied the building. The Court held that the conspicuous use of the street number was a deception to the public, and a fraud on the original user.

In still another case (61 N. Y. S. 226) it was disclosed that a company had for many years been known as "Number 10 South Water Street." Later a competitor established a competing business located at a 10 Street and used the symbol on bill heads, letter heads, and in all advertisements, in a conspicuous manner.

The original user of the symbol instituted legal proceedings against the later adopter, and the Court rendered a verdict in favor of the first user, saying:

"The first question which will be considered in this case is whether the words 'Number 10,' used under the circumstances detailed in the statement of facts, constitute a good trade mark. It would follow that if a person had established a business at a particular place, from which he has derived, or may derive, profit, and has attached to that business a name indicating to the public where or in what manner it is carried on, he has acquired a property in the name which will be protected from invasion by a Court of equity."

Use of Slogans and Colors

MANY warehousemen have adopted slogans as "Here Comes Jones," "Moving Done Best," "Storage Is the Thing," etc. While slogans are not trade names, nevertheless the original user may prevent competitors from using the same or similar combination of words. Obviously, as continuous use of a slogan in connection with advertising a particular business results in the public associating the business with the slogan, the adoption and use of the same or similar series of words is "unfair competition," for which the guilty person is liable.

However, mere use of a certain color cannot secure for the first user exclusive right to the use of that color. This is true because the number of different colors is limited. On the other hand, if, for instance, a warehouseman paints his motor trucks in distinctive combinations of different colors, the resultant effect may be held to constitute an individual representation of the business, copying of which may be unfair competition for which the later user is liable.

(Concluded on page 66)

Watching the Employee's Welfare

How Security of Washington and Empire of Chicago Are Encouraging Their Workers

TWO leading furniture storage companies in the country have, within the past month, announced plans which benefit their workers. In Washington, D. C., the Security Storage Co. has put into effect an employee stock ownership idea. In Chicago the Empire Warehouses, Inc., has established a bonus system for its van crews.

"The employee stock ownership plan has long been in our minds," according to C. A. Aspinwall, president of the Security company, "and has now been made possible by the far sighted liberality of our largest stock holder, the American Security & Trust Co., which agreed to set aside 1000 shares of its stock, to be sold at \$110 a share to our officers and employees, notwithstanding that the stock is quoted on the Washington Stock Exchange at \$129 bid, \$135 asked. The par value of our stock is \$25 a share.

"The dividends on the stock at the rate paid in recent years will considerably more than equal the interest on the loans, even the first year, and it is hoped that these dividends will increase.

"The plan is intended to make partners of our officers and employees in the business, for their benefit primarily and for the equal benefit, we believe, to our other stockholders.

"We have now, with the operation of their saving and stock ownership plans, rounded out the series of measures we have been gradually adopting for the protection and welfare of our force."

Under the Security's plan the company loans, to employees desiring to buy the stock offered, the purchase price thereof, to be repaid in monthly installments, with interest at 5 per cent a year. These monthly installments are to be deducted from the wages, not to exceed one-fourth of a month's wages. Payments will be completed in from three to six years. One of the provisions of the plan reads:

"If the subscriber has made all his regular payments on the stock subscribed for, and has been continuously in the employ of the company and has shown a proper interest in the welfare of the company and his work, he will receive on the first of each year, for five years beginning January, 1929, a cash payment of \$2 per share on each share of stock subscribed for."

Empire Bonus System

The Empire company's new bonus system is designed, to quote Wilson H. Collin, the firm's secretary and operating executive, "to bring up the morale of our moving crews to the highest point of efficiency." Mr. Collin continues:

"From all the writer has heard, many bonus systems have been used with more or less success, but we can say for ours

that it has brought good results. Perhaps one reason for this is because we have made a game of it, thus creating a spirit of rivalry which acts as an incentive for the men to put forth their best efforts.

"All van crews are members of the Empire Good Will League. Each van crew receives merits or demerits according to the manner in which a moving job is handled. Points scored are classified as hits and home runs; and complaints are charged as errors.

"A job handled without any complaint whatever scores a hit. A job on which the crew is especially commended by the customer scores a home run. Complaints are charged to van crews as errors. Errors are divided into three classes, according to the nature of the complaint.

"Each hit scores a credit of five points. Each home run scores ten points. Each error scores a loss of five, ten or fifteen points. The accompanying diagram of score board shows method of tabulating standing of teams. The standing of each crew is tabulated at the end of each week and marked up on a large score board which hangs in a conspicuous place in our garage. The score is accumulative to the end of each calendar month, at which time each member of a van crew having five times as many points of merit as they have demerits receives a small bonus. If there are no demerits charged against the crew during the month, each member of that crew receives an additional bonus.

"To assist us in establishing an accurate record of a crew's performance, questionnaire cards are sent out to every customer following a removal. A stamped return card is attached, bearing the customer's name, date the job was handled, and the name of the crew. The customer need write only 'Yes' or 'No' to the questions asked and add remarks, if he chooses, in space provided for that purpose.

"It is from remarks made on these

questionnaires that crews receive their credits for home runs, and we find the public is not hesitant in commending exceptionally good service. The crews know that these cards are mailed after each job and naturally they work hard to get a favorable report in order to boost their score.

"Our plan may sound complicated, but in reality it is a simple matter to keep a record of each crew's performance and to tabulate it.

Figuring Percentages

"At the end of each week our moving records are reviewed and each crew is credited with a hit for every job handled during the preceding week. Our claim department keeps a daily record of complaints and at end of each week these are charged to the different crews as errors of Class A, B or C, as the case may be.

"Thus if a crew handled fifteen moving jobs during the week and receives especial commendation for two of the fifteen jobs and is charged with one minor error, such as scratching a piece of furniture, his score would show twelve hits, two home runs and one Class A error. This would give the crew credit for eighty points and a loss of five points, making his percentage 937, using 1000 as representing 100 per cent (see diagram).

"Every warehouseman knows that the conduct of his van crews does more to gain good will or court ill will than any other factor in our business, and anything within reason that the employer can do to create a spirit of friendly co-operation and encourage employees to give the best that is in them is bound to return dividends in public favor and increased business."

Occasionally the Empire company banquets its van crews. On page 41 is a picture taken at a recent Empire get-together dinner of the company's van chauffeurs and helpers.

EMPIRE GOOD WILL LEAGUE

CREW FOREMAN	Points Scored		Points lost			PERCENTAGE RATING
	HITS	HOME RUNS	ERRORS			
	(5 points)	(10 points)	A	B	C	
			(5 pts)	(10 pts)	(15 pts)	
J. Brown	60	20	5			937
B. Smith	80	10			15	833
L. Anderson	40	10				1000

No. 36

Gerald FitzGerald

By ELIZABETH FORMAN

Success S

Let's Take the Old Family

In oval, Gerald FitzGerald, president of the Union Terminal Warehouse Co., Los Angeles

Some of the merchandise storage plants of the Union Terminal Warehouse Co., Los Angeles



IT is a busy morning in the down town offices of the Union Terminal Warehouse Co. on the eighth floor of the Central Building at Sixth and Main Streets, Los Angeles. Outside of the private office of the president several callers are waiting. Inside at an orderly mahogany desk the executive is preparing for a week-end out-of-town.

He is a youngish man with friendly eyes and just a suggestion of gray touching his hair at the temples. In ten minutes he is called upon to concentrate on as many as ten widely diversified problems, yet he remains calm, collected, confident. His manner is not nonchalant but assured.

The telephones ring. There is talk of an arbitration with the Harbor Board. There is an order to be given to some stevedores who have been accused of handling orange crates a bit roughly. There is a promise to look over an agreement on the train between Los Angeles and San Francisco. There are some papers to be filed concerning a law suit. There is a telegram about a spiral chute, and a convention to attend. A letter to be dictated to the Minister of Marine at Rome. Some advice to be given to a friend about a patent. One of the company's boats has just arrived at the dock, and the chauffeur is coming down with the car to take him home to lunch because the wife is ill.

And in the midst of all this the keen eyes and active mind of the president remain unruffled.

"Money—power!" you say to yourself as you watch the pageant that files by the mahogany desk. "How wonderful to have all this while one still is young enough to enjoy the thrill of it!"

Yet Gerald FitzGerald, the youngish man with the quiet smiling eyes, lost his parents at a very early age and was reared in the manner traditionally ascribed to orphans.

Leaving school at the earliest possible age, young FitzGerald faced the world with no other assets than youth, a knowledge of shorthand, and his own indomitable courage. Or, putting it in his own cryptic words, "Nobody ever handed me a thing."

His first job was with the Southern Pacific Railway in his native city, San Francisco. His stenographic work soon won him a position as secretary to the president, and later on he was made assistant to the same

(Concluded on page 70)

Success Stories

Family Album Out of Storage!

No. 37

Floyd L. Bateman

By ELIZABETH FORMAN



In oval, Floyd L. Bateman, Chicago, president of the Trans-Continental Freight Co. Below, Mr. Bateman and a herd of his Black Scotch cattle on his farm at Barrington, Ill. Left, Mr. Bateman riding in a jinrikisha during his trip to the Orient several years ago



THE place is Chicago. The time, nearly thirty years ago. A very young man is bending industriously over a table, dividing a seemingly endless pile of thin tissue paper pages covered with figures and putting them into almost a dozen other piles. In office jargon this is called "stripping the billing," and the young man's diligence is rewarded at the end of each week by a pay check for the munificent sum of fifteen dollars.

Chicago again, but some years later. A slightly older man is sitting in the waiting room of a certain business house. He is waiting to see the manager. He has been sitting there for some time, and there is a determined look on his face that leads one to believe that he will continue to sit until his purpose is accomplished. The firm to which the waiting room belongs owes the young man fifty dollars—fifty dollars that he must have to meet his payroll if his own recently launched business is to survive through another week.

Chicago still. Around a banquet table in the grand ball room of the La Salle Hotel 800 men in evening attire are listening at an equal number of telephone receivers especially installed for the occasion. It is before the days of radio devices but the guests in the La Salle ball room are listening to music and after-dinner speeches from the dining room of the Palace Hotel in San Francisco, where another group, of 600 men, may be found dining. For the first time in history a club is inaugurating a new president by conducting ceremonies over the long distance 'phone.

The organization is the Chicago Traffic Club; the time, March, 1917; and, if you know your Horatio Alger, you already surmise that the new president is the young man who "stripped the billing" and later camped in somebody's waiting room from 10 in the morning until 4 in the afternoon to collect a \$50 account.

Probably you also know that the man is Floyd L. Bateman of 7 South Dearborn Street and that Mr. Bateman is president of the Trans-Continental Freight Co., director of a Chicago bank, a past president of the National Furniture Warehousemen's Association and today one of the National's directors—and one of the most lovable characters associated with the public storage industry.

Mr. Bateman was born in Nebraska. In 1892 he journeyed to Chicago to seek his fortune. What he found was a job carrying railroad mail. This consisted of distributing a sack of letters daily among the various freight offices, an enterprise in which he engaged for six months. At the end of that time he was given work to do in the

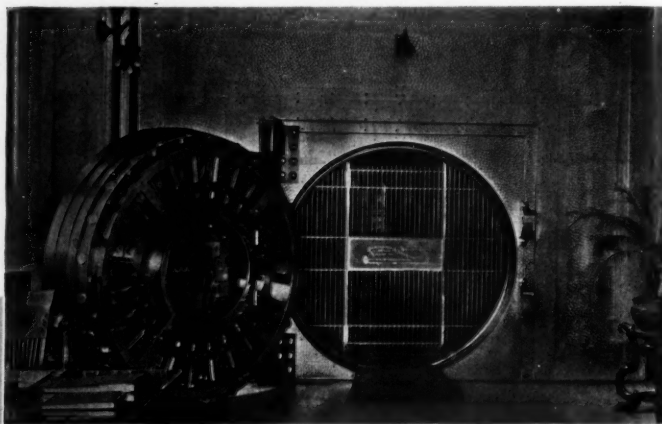
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Distribution and Warehousing's Pictorial

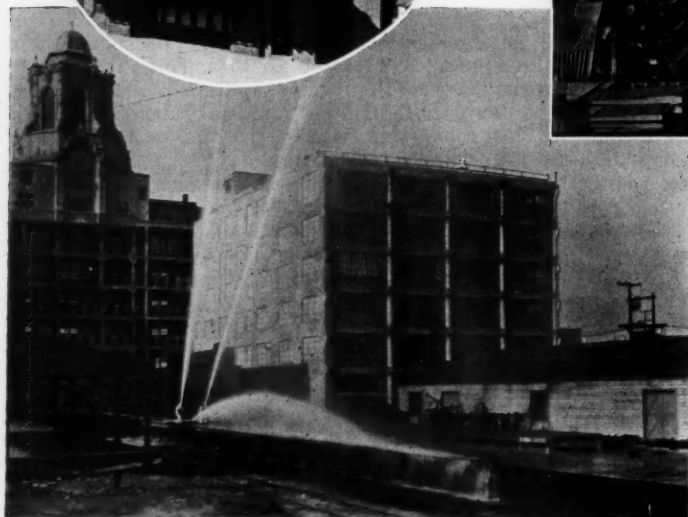


Above, annual picnic of employees of Gordon Fireproof Warehouse & Van Co., Omaha, held at "Al Gordon's Playhouse," the country place of the firm's president, W. A. Gordon, at Gordon Glen, Bellevue Boulevard.

Left, the largest electric sign in Washington, D. C., has been placed on the front of the warehouse of the United States Storage Co., Inc., at 418 10th St., N.W. It is 31 feet high, 3½ feet wide, in red, white and blue, of flashing design, and has 76 lamps of 50 watts each.

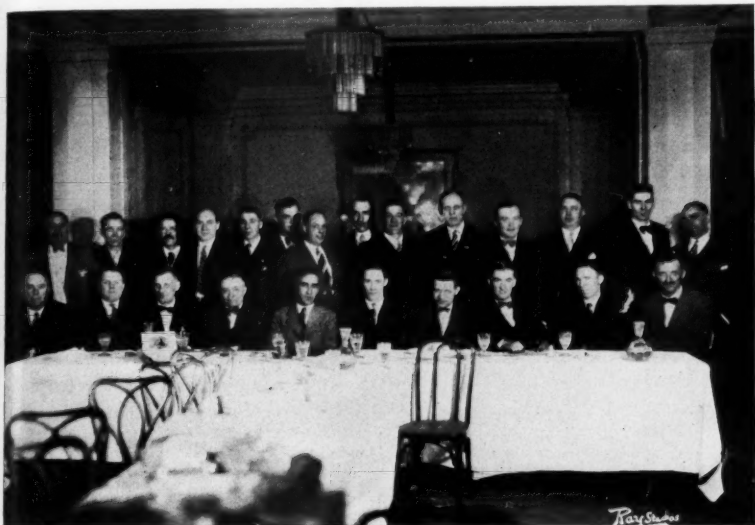


Above, door leading to the safety deposit room of the Long Island Storage Warehouses, Brooklyn. This door weighs 28 tons and is believed to be the heaviest in any household goods warehouse. It has never been slammed by an irate customer!



Left, showing some of the fire fighting apparatus which protects Westland Warehouses, Inc., Los Angeles.

Review of the New and Interesting



Above, banquet given by Empire Warehouses, Inc., Chicago, to its van crews, who are members of the "Empire Good Will League." (See story on page 37.)

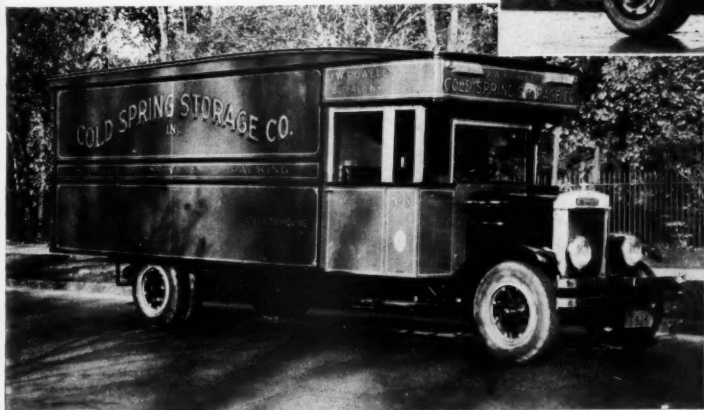


Here is Ray F. Crump, the new general manager of the Canadian Rail & Harbour Terminals, Ltd.,

Toronto. Several years ago Mr. Crump was in charge of the warehouse department of Procter & Gamble, Cincinnati, and was one of the organizers of the National Distributors' Association.

Let's Make "Pictorial Review"
a Monthly Feature. Send
us Odd and Interesting
Photographs.

Below, the Atterbury Motor Car Co.'s new Big Six truck. The Cold Spring Storage Co., Inc., Buffalo, has added one, equipped with a van body of 1000 cubic feet. (See story on page 55.)



Above, de luxe motor truck specially designed by the Selden Truck Corporation for the J. J. M. Transfer Co., Buffalo, for hauling ortho-sonic Federal radio units. (See story on page 55.)

A. Santini & Sons
New York City

WHAT'S WHAT IN

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THE Dayton Storage Warehouse is another link in the chain of warehouses erected by A. Santini & Sons, New York City. It is located on east side of Westchester Avenue, south of Freeman Street, with an ell running through to Freeman Street, in the Bronx section.

The building is entirely fireproof, seven stories and cellar in height, with a total of 80,000 sq. ft. of floor area. The type of construction employed by Moore & Landsiedel, New York architects and engineers, is steel frame, with curtain walls. The outside walls are lined on the inside with 4-in. hollow tile, insuring a damp-proof building. The front of the warehouse is of the best quality red tapestry brick above the first floor, trimmed with cut granite in simple yet effective manner. The entire first floor from the sidewalk level to the second story window sills is entirely of cut granite.

The building is in a fast growing section of the Bronx, and on account of Westchester Avenue being adaptable for stores the first floor on this street front has been arranged for three large stores and the general office of the warehouse. The conditions lend themselves to this arrangement because of the ell to Freeman Street, where the truck entrances are situated, thereby avoiding the traffic conditions on Westchester Avenue. These truck entrances lead directly to the two large elevators which run from cellar to roof. This results in an economical arrangement of space, time and labor-saving convenience.

The second floor has large business windows on the front. This floor, therefore, can be readily converted

into rentable space if a change of conditions requires. The present arrangement, however, is for the display of pianos and for the storage of pianos and furniture. There is provision for an auction room on this floor.

The balance of the building is designed for the general storage of furniture, and for automobiles on dead storage. The elevators are large enough to accommodate all sizes and types of cars. The storage of furniture will be in compartments capable of holding

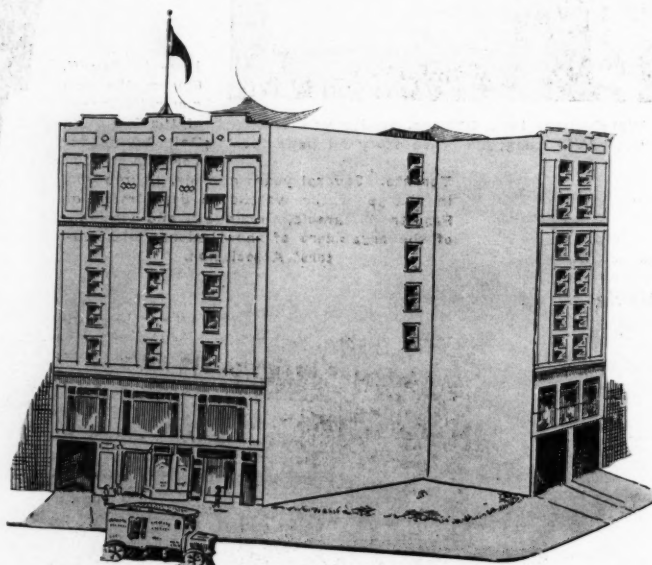
either one or two van loads. These compartments or bins are constructed of fireproof partitions with fire underwriter doors.

One of the attractive features of the building is the large, spacious and well-arranged office finished with a tile floor of neat design and highly polished black and gold marble walls and counters with trimmings of Tennessee marble. The atmosphere here is intended to be comparable with that of a bank.

Another feature of the warehouse is the location of the packing and shipping room in the large and spacious basement.

The problem of fire protection and fire escapes has been covered by providing one large interior fireproof stairway and an outside iron stairway with exit to all doorways. These stairways lead directly to the street. Further protection in case of an emergency is offered by standpipe equipment installed strictly according to the rules and regulations of the New York Fire Department.

Let's Make "What's What in New Buildings" a Monthly Feature. Send Us Pictures and Architects' Descriptions of Your New Warehouses.



NEW BUILDINGS

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Lee Brothers, Inc.

New York City

LEE Brothers, Inc., New York City, is having plans made for construction of a 14-story fireproof depository for storage of household goods, to be located at Riverside Drive viaduct and 134th Street, overlooking the Hudson River and the New Jersey shore beyond.

The first six stories are to be below the viaduct, and the remaining eight stories above. The first story will open direct onto Twelfth Avenue, the city street extending under the viaduct, and will contain a garage for vans, shipping and loading platforms, shipping clerk's office, lavatory for drivers, boiler and coal room, etc.

The second story will be devoted entirely to a packing room, 50 by 125 feet. Large factory sash-windows will be provided for this room, making it a real daylight work-room. One section, however, will be walled off to form a daylight repair shop and a concrete excelsior vault. Separate lavatories will be installed on this floor that will be used by the packers.

The third story will be an open one for the storage of furniture. The fourth and fifth stories will be partitioned off into fireproof compartments containing not to exceed 400 square feet of floor area, and separated by automatic, self-closing, labeled doors.



The sixth floor, being the first story below the viaduct level, and on which the general offices of the company are to be located, will be fitted up as a sales floor and equipped with vaults used for storing trunks, rugs, or silver, and private storage compartments, and easily accessible to the general offices for customers or others desirous of inspecting the various services and facilities. These vaults will be constructed of reinforced concrete, the openings being protected by heavy vault doors, and will be fitted up in a modern manner with enameled steel shelving and well arranged daylight access rooms. A Haskelite moth destroying cabinet also will be placed on the sixth floor. The remaining space will be divided into fireproof compartments, of one-quarter, one-half load, one and one-half, two and three-load compartments, as a convenience when showing prospective customers, instead of being required to conduct them

through the various stories of the structure.

In the front portion of the seventh story, which opens off a loggia extending full width of the building, is located the warehouse offices. The main entrance from the loggia to the general office will be

(Concluded on page 80)

Public Relations and Warehousing

Financing Warehouse Distribution—Its Relationship to Inland Waterways Transportation

By A. LANE CRICHER

WHEN we note that during the past six years the daily average mileage of the freight cars increased more than one-third and the gross tons per train hour have risen more than 25 per cent, one is prone to agree with the warehousemen that the direct, rapid and expedited delivery of merchandise from producer to consumer, along with an increase in the L. C. L. shipments, which has been quite noticeable during the past year or two, has been a significant factor in minimizing the necessity for storing large quantities of goods.

To meet this situation the warehousemen have evolved an interesting process of distribution, by many termed a "scientific distribution scheme." This scheme includes a method of financing goods and even goes so far as to include a new warehouse receipt wherein the usual words "said to contain" are eliminated and the word "containing" is used, and wherein the lien of the warehousemen is subordinated to the lien of the banker.

Dividing the country into approximately eighteen territorial zones, wherein centralized distribution warehouses are located, these groups of warehousemen propose to distribute goods within their adjacent territory, which on the basis of freight rates is believed to be served best by their centrally located equipment. A

manufacturer, desiring to sell produce in these localities, may forward his goods to any one of the warehouses himself; thus competition is kept free and unimpaired.

By some people this particular distribution scheme has been termed "chain warehouse distribution" and by many it is believed really to permit potential distribution of manufactured commodities from producer to consumer, eliminating many of the high cost middlemen profits. A manufacturer, for example, storing \$10,000 worth of merchandise in a warehouse (the \$10,000 example representing the manufacturing, labor and raw material cost), may be loaned \$8,000 in cash (advanced by the warehousemen and the financial people). Then the retailer, by obtaining his stores from the manufacturer at a particular distribution warehouse to which the goods have been shipped previously in carload lots, is afforded many advantages not permissible by a more indirect method of distribution.

The manufacturer does not have the responsibility of maintaining storage warehouses in different parts of the country, and if he desires can maintain a small office in one or more of the warehouses he is using. Money may be loaned upon the goods either to the account of the buyer or of the seller.

THE following favorable items are of especial interest in considering this distribution process.

1. Availability of nearby or spot stocks, so necessary under hand-to-mouth buying.
2. Possibility of much better returns from national or local advertising.
3. Availability of a financing method which permits even production. In other words, the manufacturer who must operate, let us say, double time for two months, and half time for the remainder of the year, is permitted to operate on a steady definite schedule at a much lower cost, with every assurance that when the heavy demand for his commodity is made, spot stocks in centrally located warehouses will be available to meet it. Hence, lower labor and manufacturing costs may result.
4. Since the scheme permits direct contact between the retailer and producer on almost a "cost plus distribution" basis, a sound economic method for reasonable maintenance of minimum and steady retailers' prices is available.
5. First class collateral upon mer-

THIS is the second of a series of articles which Mr. Cricher is preparing for *Distribution and Warehousing*. The third will appear in an early issue.

The author is Assistant Chief of the Transportation Division of the United States Department of Commerce.

chandise in process of distribution is furnished upon goods in transit between the factory and consumer.

6. Opportunity for reducing the cost in selling is permitted. A more scientific method for assigning sales territory quotas is available.

7. Unit cost in distribution (cost accounting) enables the manufacturer to check very closely upon "leaks."

8. Direct distribution from producer to retailer is permitted with only one financing transaction, reducing the overhead in distribution.

9. Sound collateral upon commodities in distribution, presented to the securities corporation, rediscountable by the Federal Reserve, requires a less amount of capital necessary to maintain distribution, generally, releasing some capital for new enterprises.

10. Not only is the necessity of large storage space obviated at the point of origin, but time in transit is materially diminished.

11. Advantage of carload quantity rates usually results in considerable savings over L. C. L. small shipments, especially where long distances are involved.

12. In addition to the tendency to level out the peaks and valleys in the curve of production and consumption, this distribution method permits the establishment of more liquid inventories. These liquid inventories have the advantage of strategic distribution location.

On the other hand, some of the questions which have arisen and which may be termed possibly negative points regarding this chain distribution scheme can possibly be summarized as follows:

1. Although the changes in the warehouse receipt permit better collateral for financing, they also increase the responsibility of the warehousemen and really require inspection, caused by the elimination of the words "said to contain."

2. Since the distribution system of this country has reached such an efficient basis, assuring rapid and reliable rail delivery, in many instances the increased costs of distribution by warehouses are not offset by the lower freight rates on the carload movement as contrasted with higher L. C. L. shipping.

3. Even though the method of financing may be absolutely sound, our country's distribution process is so complicated that this new distributing method will likely meet with many difficulties before it has passed the experimental stage.

4. Doubt has been expressed occasionally as to an expected increase in warehouse stocks resulting from the financing scheme. That may take time.

5. Some warehousemen express the thought that it is quite a reversal of the order of things to subordinate the warehousemen's lien to that of the securities company accepting the receipt as collateral.

6. If the trust receipt feature works out as expected it may be advisable to encourage governmental regulation of the warehouse industry to a certain extent. This suggested regulation is favored by a great many warehousemen and others associated with the industry. Under the operation of the direct distribution scheme goods might be transferred from Minneapolis to Des Moines without any change of a warehouse receipt, simply by using trust certificates. This, of course, might have some complications in questions concerning interstate trade.

7. The warehouse industry although fairly well organized does not collect and publish any comprehensive statistics. These data would be exceedingly helpful and to a great degree necessary as an aid in carrying out the new distribution scheme.

8. General statistical information showing the amount of space occupied and amount of business carried on during the month would be very essential information as a part of a general index for the industry. Whenever necessary these data could be broken down into specific commodities. Thus the finance corporation would have an improved factual basis for the consideration of collateral presented.

Inland Waterways

SO much for the analysis of the warehouse industry. Now let us consider one or two important items of inland waterway transportation and then discuss the relationship of this warehousing distribution and finance arrangement to inland waterways transport.

In the fall of 1925 Secretary Hoover in addressing the Missouri River Improvement Conference at Kansas City, asserted:

"The 11,000-mile trunk line from St.

Louis to New Orleans has proved a failure after deepening it to nine feet, because it carries only 16 per cent as much traffic as is carried by the Illinois Central Railway. Our proposed Mississippi System upon its trunk lines alone has town populations along the bank of the river of more than 7,000,000 people, but these towns and their great agricultural hinterlands are not today connected. They are separated by the shallow sections. If we were to work out the mathematical combinations of inter-connection, we would find that less than 15 per cent of these people now have the full water-borne communication with each other which is possible in this system, while from the physical point of view it is two-thirds complete."

The towns along the Atlantic Coast aggregate a total of 13,000,000; on the Gulf, 2,700,000 people; and on the Pacific Coast, 2,290,000. The total United States coastwise ocean-borne commerce and Panama Canal intercoastal traffic in 1926 aggregated almost 94,000,000 tons of merchandise. There are enormous possibilities of traffic interchange among these people when we note that the Ohio River alone, within 25 miles of its course on each side, serves a population, easily reached by motor truck or rail, comprehending more than 7,000,000 people, while the Mississippi River without any of its tributaries serves about 8,500,000 people, and the Mississippi and Ohio, therefore, just around 15,600,000 people.

The possibilities of trade with a completely connected system of waterways, connecting throughout the Mid-Western and our coastal localities, are far beyond our present or immediate future tonnage.

An inland waterway of disconnected deep segments will be compared to a railway of various gages. In 1925, the 2,000 miles of separate main trunk segments of the proposed Mississippi system, compared with the 7,000 miles of the Southern Railway, all connected, carried 41,000,000 tons as contrasted with 45,000,000 tons of that railway.

Not only will this Ohio and Mississippi waterways system with its more than 85 up-to-date barges and towboats now in service be increased, but also our motor truck facilities which are constantly growing will be another aid in serving vast populations living in the territory traversed by the waterway system. In addition, I want to call to your attention that, of the 250,000 miles of railway owned by the railroads of the United States, more than 150,000 are operated by carriers touching or serving the Ohio-Mississippi Valleys.

I want to mention a little humorous note that came to my desk recently, advertising the Port of Manchester's ship canal. It was a picture of Robinson Crusoe, who built a boat away from the waterfront. He didn't have any means of launching it. Below the picture was the following: "When Crusoe's boat was made he couldn't get it to the sea. He built another on the water line. Whatever you are making, it is best to make it on the water line. Remember, Manchester's economic seacoast is the

Manchester Docks." To my mind there is a world of economic philosophy in this advertisement.

No port can survive without traffic, yet the port itself does not produce it. It offers a transfer point between the rail, motor truck or water carrier, and the ocean carrier. Our ocean trade route facilities are but extended arms of our domestic transportation facilities. The ports of New York and Philadelphia are located on rivers; so are New Orleans, Mobile and Baltimore, and we can cite numerous other examples. I believe we can say safely that the principal developments of centers of foreign trade are those centers which are located near or upon inland water transportation systems.

Perhaps such trade development is best illustrated by the movement of certain commodities in foreign countries.

Upon certain European waterways there has been a very definite tendency to move bulk commodities more by water transportation than by rail. In fact during the past twelve years, for such commodities as iron, steel, coal, sugar, salt, coffee, tea, tobacco, lead, cement, etc., the movement has been so much by water during recent years that many people draw the conclusion that the trend for the carriage of goods over medium and long distances is principally by water transportation, even though time is considered a great factor in making delivery of certain products of higher value.

This may be true in Europe, but that does not necessarily make it so here. The reason for the preponderance of inland waterway traffic upon certain foreign rivers as compared with rail transportation, in the same sections, is due probably to the fact that where ordinarily rail taking five to six days will move a typical shipment of a couple hundred pounds a distance of around 140 miles, at a charge of about \$1.20, the delivery is made for one-fourth that cost in half the time by water. The express rail charges on such a shipment would be about two dollars and a half.

Inland waterway transportation facilities connecting certain centers of consumption and distribution are one of the most important factors contributing to the development of European ports. In fact the inland shipping of certain European ports compares favorably with its ocean tonnage.

Not only are the waterways a source of national prosperity to European countries which have had the advantage of their use for a number of years, and not only are they a vital part of the national transportation system of any progressive nation, but also it is most important that, in addition to safeguarding them, they should be coordinate with other means of transportation.

These principles most certainly apply to our own waterway conditions.

We have before us a picture of the more than 3,000 miles of trunk line waterway system of the Central West, serving a population bordering that system aggregating more than 15,500,000

(Concluded on page 70)

THE BUSINESS MEN'S BOOK SHELF

"The Distribution Age"

"The Distribution Age." By Ralph Borsodi. 321 pp. D. Appleton & Co., New York. \$3.00.

THE author of "The Distribution Age" attempts to answer the question that puzzles every sales manager and every warehouseman. He begins by stating that in the past fifty years the cost of distributing has nearly trebled, while the cost of production has declined by 20 per cent or more. "If the cost of distribution continues to rise at the same rate, before the end of another fifty years we shall have more people engaged in distribution than in production."

To support the first portion of this statement he gives the following figures:

Population 10 Yrs. of Age and Over Engaged in Production and Distribution

Census	Production Per cent	Distribution Per cent	Total
1870	8,629,892	88	1,191,238
1880	11,498,601	86	1,871,503
1890	14,826,916	82	3,326,122
1900	17,467,074	79	4,766,964
1910	23,375,446	75	7,605,730
1920	24,861,905	70	10,433,102
			35,295,007

"What we save," declares the author, "through the lower cost of modern methods of production we are losing through the higher costs of modern methods of distribution. What can we do about it?"

The number of persons, as shown in the table quoted, engaged in producing goods has dropped from 88 per cent to 70 per cent in fifty years, while the proportion devoting themselves to distributing the goods produced has risen from 12 per cent to 30 per cent. Yet more important is it that "fifty years ago, salesmen and clerks, railway men and drivers, were not so well compensated as they are today. Today, salesmen and advertising men are much better paid than craftsmen and superintendents, and they enjoy an increasing premium as business attaches more and more importance to distribution and less and less to production. It should therefore be borne in mind that not only have the numbers engaged in distribution increased, but their average compensation has increased more rapidly than the average compensation of those engaged in production."

Marketing of today has become one of the serious problems of the manufacturer, it being a problem which exceeds in importance the task of production. "The greater part of the average manufacturer's thought is engrossed with this problem of marketing, and a considerable portion of the manufacturer's total expenditures is today devoted to marketing his production."

Common "bran costs \$20 a ton, and yet it is being sold to consumers for \$1,000 a ton" in the form of breakfast cereal. The cause, according to this author, lies in "high pressure marketing."

"The local manufacturing enterprises of former years had no complex problem of distribution. They could rely on the simple distribution methods needed to supply the territory in which they were located and in which they could operate economically. But the great factories which today have taken their place have naturally very complex problems of distribution. As factory production moved further and further from the points of consumption, distribution machinery had to be developed to cope with the new conditions."

"It is the factory which has decided to produce trade-marked, uniform, packaged, individualized, and nationally advertised products, and which must establish itself in the national market by persuading distributors to pay a higher than normal price for its brand, which has had to turn to high pressure distribution. Such a factory has a selling problem of a very different nature from that of factories which are content to sell where and to whom they can sell most efficiently."

The kernel of the author's effort comes out in seven chapters, each with the title of "high pressure"—which is applied in turn to marketing, distribution, wholesaling, retailing, selling, advertising, credit and capitalization. He lays much of the high cost of branded goods to the effort to distribute nationally, making the statement that "it is more economical to buy in bulk from the most expensive grocery stores in New York City than to buy in advertised packages at the corner grocery."

The author's solution of this difficulty is rather vague. It demands a complete change in the whole world of marketing, particularly in our buying methods.

The book is particularly full of suggestions for any man who is compelled to get together material for a speech on marketing. It is likewise meaty with ideas for those who write advertisements, because it presents many startling thoughts, any one of which will provide interesting "copy" for an advertisement.

"Developing and Managing Salesmen"

"Developing and Managing Salesmen." By Ray Giles. The Ronald Press, New York. 216 pp. \$3.50.

THE author of this book is an experienced salesman, a manager of sales, and, at the present time, is professional consultant on sales and advertising for one of our leading agencies. He has had opportunity to know a great variety of sales situations. He has received from both salesman and sales manager their private views of each other, and, as an advisor to both parties, he has been impressed with the value of right personal relationships between executives and men.

Such a man sees well-built plans fail through lack of shoulder-to-shoulder understanding between management and employees. He sees poorly laid plans prove highly successful because of the dogged loyalty of salesmen to that executive who has the happy knack of enlisting their feelings as well as their minds. It is the aim of the book under review to throw light on this, the more personal, side of sales management. Charts, graphs, statistics and forms are omitted from the pages. The writer has chosen, rather, to build the book around actual experiences in many lines of business.

The pages provide most entertaining reading on such topics as these: Salesmen who make good; the technique of hiring men; planning the salesman's sample case; finding the "limp" in lame excuses; getting past the buffer; curing the salesman who makes rash promises; what do your salesmen do while waiting for trains?; getting back the lost account. This list does not, by any means, exhaust the chapter titles. It suggests the range of themes discussed.

The book is brimful with tried and tested selling methods, all described by one of the most entertaining of our business writers—one who has the welcome ability to say a thing tersely and well.

"The Railroad Freight Service"

"The Railroad Freight Service." By Grover G. Huebner and Emory R. Johnson. D. Appleton & Co., New York. 589 pp. \$5.00.

THE two authors are professors of the University of Pennsylvania; both possess fine reputations as teachers for transportation and commerce; and both have published several earlier books in the transportation field. They are, therefore, authorities.

Freight transportation is the most important part of railroad service. In this book the authors treat the various freight services of the railroad, including their regular services and the many special services and privileges. Such matters as the general freight car situation, distribution of cars, and

demurrage rules and charges, are discussed, as well as shippers' cars, private car lines, special transit arrangements, terminal facilities and conveniences, and so on, all of it information of the utmost value to the shipper. The book contains all the essential information of freight service, except that it does not deal with freight rates or freight traffic or rate making. It discusses "freight service" but not "freight rates."

The book should be useful to men in industrial and commercial traffic departments, and likewise to that increasing body of shippers who, through public or semi-public service associations and organizations, are today cooperating with the carriers in the effort to increase the efficiency and economy of our freight service.

The railroads are, by law, required to provide "adequate freight service," but the primary duty of fitting the available services to the actual needs of each community must necessarily rest, in large measure, with the shipper. Carriers are also required to see that their charges and rules are applied accurately and impartially, but, from the very nature of freight transportation, the enforcement of this requirement frequently depends in part upon the intelligent cooperation of shippers.

Railroads differ from sellers of goods. The railroads are obliged to file and "publish" their rates and rules, but they are not required to broadcast them; to "publish" does not, in rate matters, mean to "advertise" or to "broadcast." The rules are publicly filed and are available to those who seek them. Unless one inquires at the proper place, he may do business with a railroad for a lifetime and yet be totally in ignorance of rules that might save him money. The whole situation is quite the reverse of that of a manufacturer who wishes to push his goods; he advertises and floods the mails with information. The railroads, however, satisfy the law when they have publicly filed a rate or a rule and thus have made it "available."

Ignorance of lawful charges, rules and practices may cause the shipper to penalize himself with excessive charges and inferior services. It is important that shippers should have accurate knowledge of freight rates and rules applicable to their shipments or their routings—the expedited train services and through package cars, the special transit and transfer privileges in certain cities, the terminal services and privileges, the right to divert and reconsign. They can benefit by acquiring full information concerning the general or special rules of a carrier relating the billing, marking, packing, loading, weighing and storing of freight; the ordering, preparing and detention of cars; the shipment of mixed carloads; the preparation and adjustment of freight claims; and the utilization

of special transit and terminal facilities.

One of the interesting minor sections of this book is that which discusses freight car mileage and where it is shown that 52 per cent of the car mileage of our railroad systems is for haulage of "empties"—thus great is the burden of returning coal cars, refrigerator cars, tank cars and other special equipment whose reloading is limited by their structure.

Readers of *Distribution and Warehousing* will find particular entertainment in Chapters VIII-X, pp. 144-183, which discuss such special privileges as reconsignment and diversion and transit arrangements for allowing manufacturing or processing in transit with the concurrent right to warehouse in transit.

At another section is presented a most readable and enlightening account of the railroads' drayage experiences in various cities and their efforts to institute store-door deliveries and pick-ups in St. Louis, Boston, Jersey City, New York, Yonkers, Cleveland and other cities (pp. 184-212). Other chapters of more than usual value are those on the preparation of cars for loading (with privileges); two chapters on "freight shipping papers"; and another on "railroad shipping rules."

The authors are university professors. Their teaching bent is evident in each chapter and section in that they give the history and the development of each phase of freight service, explain the purpose and value, and go into a wealth of detail that many business men would omit. The business man, however, is apt to know the full technique of the things he does from day to day, and he usually knows more of the peculiarities and "kinks" than any text book can tell. For this reason such a book as the one we are reviewing does not "tell anything new" to those readers who are thoroughly versed in traffic matters; yet the quotations from tariffs and I. C. C. rulings are so complete that many a business reader will find everything he needs to know about freight services—except rates—in this single volume, and he may dispense with a shelf of slimsy tariffs.

The "practical" shipper, too, has learned by "experience." Such a method is good because the lessons are well learned, but it is too slow and too expensive for 1927. It is, therefore, the purpose of business books to put into a man's hand all the information on a given subject. It is the aim of such books (1) to help a man learn more quickly than he could through "experience" and (2) to save him from costly errors and embarrassing mistakes. It is for this reason that up-to-date offices are installing bookcases and are budgeting a few hundred dollars each year for business books.

"Market Research" Guide

The Domestic Commerce Division of the Department of Commerce has issued a guide to publications and activities, both governmental and private, relating to domestic marketing. It lists 554 agencies engaged in some form of market research. The document, entitled "Market Research Agencies," is Domestic Commerce Series No. 6 and is available at the Government Printing Office.

Included in the compilation, which is intended as a guide book to research work in marketing and to curtail duplication of research, are all Federal, State and municipal governments, colleges, universities and foundations, and commercial organizations such as advertising agencies, business services, chambers of commerce, cooperative marketing associations, individual businesses, magazines, newspapers and trade associations.

"The products which have been subjected to this scientific scrutiny," says a Department of Commerce statement, "cover a remarkably varied field, rang-

ing from corn to honey and from fountain pens to automobiles. Studies have been made in connection with the marketing of carp, traffic in caged birds, methods of paying laundry drivers and operating expenses of undertakers.

Available Data

"Such functions of business as accounting and budgeting, advertising, costs of doing business, credits and collections, installment selling, inventory methods and store management have been treated in their relation to various types of business."

According to Dr. Frank M. Surface, under whose direction this work was completed, it is now possible for any organization which contemplates conducting market studies to ascertain just what has been accomplished in any particular field. At the same time, the merchant, the manufacturer and the farmer can learn what data are available in connection with the marketing of his particular product or the method of conducting his special business.

Talks on Warehousing

The services offered by a modern distribution and warehousing firm was the subject of a talk given before members of the Houston (Texas) Real Estate Board by Burke Baker, vice-president of the Houston Terminal Warehouse & Cold Storage Co., whose new plant was recently completed at 701 North San Jacinto Street. An invitation was extended to the Board's members to visit the huge plant and inspect the operations of an organization of this kind.

Lakewood Handling Catalog

The Lakewood Engineering Co., Cleveland, has issued a new catalog giving complete details of material handling in warehouses, terminals and industrial plants through the use of storage battery tier lift trucks. The bulletin is illustrated and is designed to show methods of reducing costs in storage and interplant transportation. A copy may be had by asking the company for Bulletin No. 35*A.

We hope you had a
Merry Xmas, 1 &
all—

TWO BITS

—& that 1928, Jan. to
Dec., inclusive, will
not pall.

Vol. VIII. No. 7

A Bit Here, A Bit There

Gotham, January, 1928

Letter from Hezekiah Snoopjump, the Noted Butterfly Scientist, Reveals Pellionella and Heterocera Dermestidae Still in Captivity

AS the new yr. (1928) dawns it becomes evident that the storagers' industry's executives, tho intent on money-making & other unimportant affairs, are not too occupied to be concerned regarding the current whereabouts of *Two Bits's* 3 lady-detective moths retained some mos. ago by Ye Ed. to learn when & where the convention of the Nat'l Assoc'n for the Protect'n of Moths in Storage is to be held.

On a/c that this mo.'s (Jan.'s) issue of *Distribution and Warehousing* starts a new vol. (Vol. 27), *Two Bits* automatically finds itself with many new readers, who are not familiar with the activities of Pellionella, Biselliella & Tapetzella, the 3 gumshoesses retained by us. Therefore we feel we should ought to start Vol. 27 by recapitulating for the benefit of these many new readers, on a/c Nella, Liela & Zella got themselves into difficulties during 1927, & so therefore 1928 will disclose whether they will ever get out again. In fact, whether 1928 will be judged a successful yr. for American business may be measured, by future storager generations, by Nella's, Liela's & Zella's ability to disentangle themselves from whatever they are entangled in as the yr. 1928 dawns.

Wales Buys New Horse

Therefore it should be explained that the last we heard from Zella she was in Hollywood, Cal., having got inclosed in a shipment of tapestry in a freight car which she had thought was en route to Grand Rapids, Mich., through which she had planned to pass en route to Mackinac Island, Mich., on a mission to rescue Nella, who, with Heterocera Dermestidae, executive secretary of the Nat'l Assoc'n for the Protect'n of Moths in Storage, had been captured last July by Prof. Hezekiah Snoopjump, the Wiquitiquock, Conn., butterfly scientist, Prof. Snoopjump having mistaken Nella & Het for butterflies. It should be explained further that Liela, who had also been assigned to attempt Nella's rescue at Mackinac, was, the last we heard from Liela, in Grand Rapids, where she was being wooed by a wool-eating he-moth & so was doubtful whether she ever desired to return to Gotham.

Well the foregoing a/cs for the plights of the 3 moths, & we set the information down here, as the yr. 1928 dawns, so that you may have the background & understand the situation in view of the

following letter which we have recvd from Prof. Snoopjump:

Snoopjump Scientific Farm,
Wiquitiquock, Conn.,
Dec. 13, 1927.

Editor,
"Two Bits,"
Gotham.
Sir:

Upon my return recently from my summer domicile on Mackinac Island, Mich., my good friend J. N. Snow, the New London warehouseman, who takes care of some of my goods while I am away from Wiquitiquock each year, showed me some recent copies of your estimable publication. May I assure you, Sir, that they conveyed to me the first intimation that there has come into my present possession, in my capacity as a somewhat noted—if I may use modestly that word—butterfly scientist, none other than two of America's most famous moths. I allude, Sir, to Pellionella, one of the three moth-detectives engaged by "Two Bits" to ascertain, on behalf of the household goods warehouse industry, when and where the annual convention of the National Association for the Protection of Moths in Storage is to be held, and Heterocera Dermestidae, executive secretary of that association. It would appear, precisely as your estimable publication has asserted, that I mistook Pellionella and Heterocera for unusually extraordinary specimens of the diurnal lepidopterous insect of the suborder Rhopalocera during my meanderings, with butterfly net in hand, through one of Mackinac's beautiful meadows that lovely July morning when, as you have narrated in your estimable publication, Pellionella and Heterocera were holding a tryst among the blossoms on that meadow. Sir, I am a trifle near-sighted, and I was not aware that Pellionella and Heterocera were merely moths or I would have refrained from capturing them. And yet—he who makes errors is, may I submit, only human. *Bono absolum progenis.*

Long Island Potatoes Up

After reading the recent issues of your estimable publication, and through them becoming aware of my *prosequi qui juvenens*, so to speak, I wired J. N. Snow, the New London warehouseman, to take my 100-watt microscope out of storage and post-haste it by motorcycle to me in Wiquitiquock. Mr. Snow sorely disappointed me by informing me that charges on my goods were long overdue and that I must pay his firm the sum of \$88.27 before I could hope to receive my 100-watt microscope. Some warehousemen, it would appear, have no imagination. *Meridionalis jurare vastus.* I was compelled to mortgage a quarter-acre of the Snoopjump Scientific Farm in order to raise the sum denominated

by Mr. Snow, whereafter, upon making payment, I received the 100-watt microscope. Unfortunately several of the watts were missing from the shipment, but it is my policy always to be equipped with some spare watts. Preparedness is one of life's essentials, is it not? *Satio plicitum occupare.*

After repairing the microscope I undertook examination of the specimens I was fortunate enough to capture at Mackinac during the summer, and, Sir, would it surprise you to know that not only did I discover the presence of Pellionella and Heterocera, as indicated in your estimable publication, but also I ascertained another important fact? This fact I am somewhat loath to place before you, Sir, and yet—knowledge is power. *Corollarium haecvici.* Therefore I shall tell you.

Are You a Philatelist?

What I ascertained, Sir, is that Pellionella, one of your three detective-ladies, and Heterocera Dermestidae, executive secretary of the N. A. P. M. S., have, here on the Snoopjump Scientific Farm, established and set up what is to all appearances a domicile of their own. In other words, Sir, I suspect that Pellionella and Heterocera are now wed. It may be, of course, that this is a companionate marriage only; being unfamiliar with the moth language, I have been unable to interrogate the two. But Pellionella and Heterocera are as ardent a pair of moths as it has ever been by fortune and pleasure to witness, Sir, and there is no question in my mind but that a real romance was engendered that lovely July morning among Mackinac's blossoms. Summer's flowers are, Sir, insidiously potential. *In spica phantasia.*

Therefore, Sir, one must surmise that you have a new problem on your hands. Pellionella was retained by you to execute a certain mission—namely, to ascertain regarding the convention of the N. A. P. M. S. Heterocera has been, and still may be, the executive secretary of the N. A. P. M. S. The problem is, accordingly: (1) is Pellionella true to her trust, or (2) has Heterocera deserted his duties as executive secretary? (1) Has Pellionella been sufficiently wily to influence Heterocera to inform her, so that she may in turn inform you, so that you in turn may publish the information in your estimable publication, as to when and where the convention is to take place? (2) Or has Heterocera, shiek-moth that he is, won over Pellionella so that she will no longer serve as one of your three detective-ladies? Thus do doubts arise in the brain of man. *Anthera tres dioptra.*

I await, Sir, your instructions as to what disposition I shall make of Pellionella and Heterocera. I am, in fact, ever at the command of my friends. *Lux lax*

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liquor. If it is, therefore, your desire, I shall pack Pellionella and Heterocera carefully and have them called for by Mr. Snow, the New London warehouseman, and direct him to crate the romantic pair and ship them to your office in Gotham. Or, if it be your belief that Pellionella is beyond redemption, I shall be glad to release her and Heterocera. But if you ask my counsel, sir, you should get Heterocera into your clutches and, if necessary, torture him until he

divulges the required information regarding the whereabouts and date of the N. A. P. M. S. convention. For, Sir, opportunity knocks all too infrequently. *In vinum Gordonus veritas.*

I await, Sir, your reply and instructions. And remuneration for my effort shall be but negligible. The truth is that I have had to watch Pellionella and Heterocera so closely with my 100-watt microscope that the quality of the latter has somewhat disintegrated and I am in

need of another and an expense bill is attached herewith for \$88.27—curiously the same amount as the bill for overdue storage charges at the warehouse of Mr. Snow in New London. That illustrates one of the parallels of our mundane existence. *Insensibilitas familiaris vox terra supus publicum.*

Yours quasi-sincerely,
Hezekiah Snoopjump, R. F. S. B. S.,
(Royal Fellow of Society of Butterfly Scientists).

H. A. Haring's

New Business for Warehouses

XXVI
Your Business as a "Service"
—Not as a Commodity

IN the October issue of *The American Magazine* appeared what has been denominated "the most interesting article ever published in *The American Magazine*." It was written by the founder and president of the Bush Terminal Co.—Irving T. Bush. Due to the personality of the author this article should be interesting to every warehouseman; and it is doubly interesting for the reason that it carries as its title: "Get into the selling end of your business: there the opportunities for making money are greater and the competition is less."

"Have you ever stopped to think," asks Mr. Bush, "how much more difficult it is for an employer to measure the value of the services of an operating man?" As one reads that sentence it almost would seem that Mr. Bush were talking to a convention of warehousemen instead of writing for business men in a general way! Undoubtedly his immediate background is the great terminal that bears his name; yet everything he says applies to any enterprise. Then he proceeds to elucidate, in this fashion:

"An engineer in charge of a plant is on duty a certain

number of hours each day. He has a number of assistants, and uses each month a certain amount of supplies. The engineer may do excellent work, and save money for the man he works for, without his employer's being definitely conscious of the fact.

"If, however, a salesman brings in double the number of orders this year that he did last year, the knowledge of the increase is at once present in the employer's mind, because the psychology of business effort is that the eye of business men is always directed toward an increase of volume.

"This psychology may be wrong. For, while it is of the first importance to increase the volume of a business, many enterprises fail because the attention of the executive is directed solely toward increasing business, and the leaks in the operating department are overlooked. But, even if this unfortunate condition exists, it illustrates the fact that the character of the work done by a salesman is known at once."

Why Mr. Bush Turned Salesman

THE striking thing about what Mr. Bush wrote for *The American Magazine* is that he tells his personal experience, and, in particular, relates how and why he quit the operating end of his great terminals, and "even if I was some ten years late I determined to become a salesman."

What he found necessary for his warehouse suggests what any warehouseman may find necessary for his concern.

We shall quote quite at length from what Mr. Bush recounts:

"Every man who has got a little way up the ladder of success without barking his shins too severely is asked by young men just starting in life how to pick a business career. That, at least, has been my experience, and as soon as I developed gray matter enough to reason the proposition out to my own satisfaction, I began to answer my young friends by saying: 'Become a Salesman.'

"I did not mean literally to get behind the ribbon counter, or to start on the road with a trunk full of samples. I meant to advise them to get into the selling end of whatever business they eventually determined to try out, and I usually qualified this advice by saying that I assumed they must possess, or could develop, some of the instincts of salesmen.

"Any man who chances to read this

article may at least feel that I am a physician who is willing to take his own pills. I began the development of the Bush Terminal when I was about twenty-five years of age, and when I was forty-seven I suddenly waked up to the fact that, while I had for years been advising young men to 'become salesmen' I was a hired man myself. [These italics are ours.]

"The Bush Terminal had been an operating organization. It had been

an operating proposition. It brought only the limited reward due for such work.

"Why I didn't see that before, I don't know, unless it was because my nose was so close to the grindstone that I couldn't get a proper perspective. When I did get it, I said to myself—well, no, I think I won't repeat what I did say to myself. It wasn't flattering, at any rate, and I determined to take my own advice, even if I was some ten years late, and 'become a salesman.'

"Through the medium of the Bush Terminal Sales Building in New York I am now engaged in an effort to turn the Bush Terminal Company into one of the biggest selling organizations in the world. I have already gone far enough to realize that my advice was good and my reasoning correct, and that the reward for selling is much greater than that for operating.

"There is a selling end to every business. In some it is called 'business getting'; but, no matter what the name, it is the job of securing new orders and it is the work for which the world pays the best salary.

"The world is willing to pay for salesmanship, because everyone who owns a business hopes to increase it. If an American merchant sells \$100,000 worth of goods in a year, he hopes to sell \$200,000 worth in the next year; and the man he is looking for and is willing

THIS is the twenty-sixth of Mr. Haring's "New Business for Warehouses" series. Letters from storage executives indicate that this is one of the most valuable editorial features of *Distribution and Warehousing*, and these articles will continue regularly during 1928.

paid to store merchandise, to load it into freight cars, to cart it into the city, and to lighter it about the harbor. It is true that it had built up a unique industrial development where nearly 300 manufacturers had located to increase efficiency, but, after all, it was

to pay a good salary to is the man who can help him to do this.

"Go through any industry. You will find that the same grade of intelligence is better paid in the selling force than it is in other departments."

Applies to Every Warehouse

HOW true are these sentences when applied to every warehouse!

They are equally true as applied to warehousing as an industry. Since that time, now thirty-five years ago, when the American Warehousemen's Association was organized, our public warehouses have progressed steadily as operating entities—merchandise, cold storage and furniture alike. All the fights have been won in the interests of better warehousing—with the railroads, with the cold-storage hysteria, with the forty-eight varieties of warehouse law, with the fly-by-nights, with the yellow press.

Yet it remains for the industry to "become salesmen" and give to the industry that popularity which it deserves. The business world must still be educated to understand public warehousing as it does freight rates, or jobbers' discounts, or branch agency rents. The industry, in a word, has not "sold the idea" to commercial America. This does not, of course, mean that no one knows that warehouses cut costs. Thousands of concerns do. It does mean that general "consumer acceptance" of the "idea" has not been achieved.

When once this idea has been effectively sold to America, the department store buyer will think first of a public warehouse for his goods and secondly of the firm's own storage place; the manufacturer entering Chicago with a sales agency will canvass the warehouses before he looks at downtown office buildings; the sales manager will lay out routes for his men on a schedule of warehouses rather than by "trusting to God and the railroads to deliver the goods."

Mr. Bush plans to make his company "one of the biggest selling organizations in the world." Think what that means! He has a vision of "selling Bush Terminal" in competition with Kellogg and National Cash Register and Standard Oil and Burroughs Adding Machine and Collier's subscription books and New York Life and the Ladies' Home Journal. Nothing less!

A "Service"—Not a Commodity

A VETERAN warehouseman has criticized this department of New Business in *Distribution and Warehousing* to this effect:

"You write it too full of hope. It sounds as though a fellow could put on his hat at eleven o'clock some morning; go to some manufacturer; tell his story; and, before lunchtime, come out with a new account."

If these suggestions for new business have sounded that way it has been the fault of the writing, not the thought behind. For well do we understand that warehousing is a "service" and not a commodity. To sell the warehouse idea

to a client is quite a different matter from booking him for a lot of goods or a piece of special machinery.

When the manufacturer, or the distributor, makes a contract with a warehouse, his whole method of doing business must be altered. The private storehouse drops out of the picture. A pink "order" sheet takes the place of a shipping clerk, his helpers, a busy packing and shipping department, the hum and buzz of a dozen men getting into each other's way. All these disappear, because the warehouseman performs everything except to book the sale. The change is about as deep as it is for the family to give up their fourteen-room house, store three-quarters of what they own with a furniture warehouse, and live, henceforth, in three rooms and kitchenette. It is a change not lightly to be undertaken—the whole mode of living must be revamped, giving consideration to children, to aged parents, to guests who once came but now cannot be entertained, and, most of all, to cost.

The merchandise patron must consider his whole structure of distribution.

One manufacturer, whose name we are not free to give, became persuaded that his branches should be closed out and stocks maintained in public warehouses. Sixteen branch stocks were at that time in operation: it took nearly three years to complete the transformation, and more than a year for the initial change of that first stock. It was found necessary to school the sales force, to install new record-keeping, to tell the customers, and to take proper "care" of the employees who now were "let out." It is not a simple matter to overturn an established mode of doing business.

Nor should the warehouseman forget, as he solicits accounts, that insiders "buck" the change. Possibly more opposition arises from this source than any of us ever guesses; certainly "the warehouse idea" suffers from "back-alley methods" more than the warehouseman knows. An illustration may bring out the point—taken from another field of business.

Four or five years ago, when business effort was first directed to cutting costs, the department stores of the United States and Canada banded together to do their buying. The plan was for one central purchasing department in New York to which a manufacturer should submit his "line" and by a single sales contract close up the business of several scores of department stores in two countries. Selling costs would be cut; buying expense would be eliminated; hours and hours of time would be saved to both parties. Quantity buying would match with quantity manufacturing—with lesser costs to all concerned. The central buying organization planned, moreover, to organize a staff of technicians who could buy expertly and who could instruct the manufacturers how to make merchandise better fitted to demand.

Marketing experts were employed, college professors lifted from their teaching positions to perfect the high

ideals of the consolidated buying organization. Large offices were leased in the mid-Broadway section. It was announced that \$300,000,000 of goods would be bought the first year.

The plan failed. From the start the promoters (who are owners of our great department stores from coast to coast) sensed a vague opposition "each in his home store." Today the organization is almost out of business—it has never been able to do an appreciable amount of buying.

Why? Now, that it is over, all can see the weakness. The plan was sound, except for one thing. Department store underlings killed it!

Mr. Thomas Smith, buyer of shoes for a Kansas City department store, as one example once each three months had been accustomed to make a buying trip to New York and Boston "to keep in touch with the styles" and to "keep up contact with the manufacturers." He traveled on excess-fare trains, lived like a prince for a week in New York with meals that cost a week's pay and shows twice as much. He was "entertained" as might befit his tastes—shown New York's "life of art and music" or its "seamy side without the wife." This he did, of course, on "expense account." Everyone knows the story.

But—with centralized buying on scientific specifications—the buyer in Kansas City was supposed to fill out a printed form that cost just two cents to mail to 1445 Broadway, New York City. He—and Miss Rebecca Sonnenschein, who was buyer for ladies' coats—rebelled. The innovation was all right, but—

The rebellion took the form of that famous Boston Tea Party. The buyers "threw the stuff into the harbor." When the merchandise, purchased by the great buying organization, reached the department stores, the store "buyers" one and all yelled about "how terrible" it was. Quality, no good; price, "out of sight"; assortment, idiotic. In a word, they "plugged" the game. They "could not sell the stuff" without cutting the price below cost; they lost no opportunity to tell the store owner of the better buying they could have done "personally"; the anticipated saving of 4 or 5 per cent in buying was turned into actual losses before the goods were cleared out by a "mark-down sale."

This thing happened up and down the country. Everywhere it was the same story.

It is but an illustration. Yet it shows, we believe, somewhat of the underhand methods of "men with jobs" to forestall changing from private storing to public warehousing. They fight to preserve what has been—for themselves and their friends. They may do it with the most honest intentions in the world, but, for the warehouseman soliciting the account, the effect is the same: the change is delayed and put off, and, sometimes, prevented.

Nor is it meant to imply that the only opposition comes from such selfish causes. A business concern cannot be

(Concluded on page 76)

Keeping Up With the Developments in the Motor Truck Field

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor hauling. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Selection and Adaptation of Truck with Relation to Allied Equipment. The New Buying Attitude. Motorcycles. Trailers. Demountable Bodies and Containers. The New Ford Truck. Other Models.

THE year 1927 was a notable one for progress among the manufacturers of motor delivery equipment. Never before has there been a year in which more new ways have been developed and offered for getting better results from motor trucks.

There is much big news to be pondered by those of us who are interested in better warehouse deliveries as we enter 1928. It is a good time to glance over these new aspects and see which of them are worth being seriously considered.

A few years ago, in considering choice of equipment it was principally a case of horses versus trucks. Now it becomes more of a selection from among many different kinds of trucks and many adaptations of the truck as a vehicle to other equipment, allied with it. Today we have our choice of (1) horses, (2) trucks (gasoline or electric), (3) truck and trailers, (4) tractor and semi-trailers, (5) truck or trailer with demountable bodies, (6) truck and unit containers, and more lately we can justly add (7) the motorcycle service car. Many warehouse owners who go in for package delivery as a part of their transfer work are finding that, with traffic congestion increasing as it is, the motorcycle service car has a real place in

the field of delivery equipment; hence we cannot neglect to consider it when discussing proper selection of vehicles.

It is important to stress to the executive in charge of delivery today that 1927 was a year of strenuous competition among the truck manufacturing interests. While the truck market has not so nearly approached the point of saturation that the passenger car market now feels, it seems to have recognized more and more that competition is based principally on a replacement business. This means greater effort to give the truck buyer more vehicle for the money. It means not only lower production costs and a narrower margin of profit, but it means that truck manufacturers know that their salvation lies in making the kind of vehicles that will make truck transportation pay and pay better with one unit than it will with another. They are becoming interested in the use of the truck and in making the truck fit each use. This, then, explains the large increase in the number of models introduced in 1927. Truck manufacturers who have up until a short time ago confined their production to one or two standard types now have four, five or as many as eight entirely different models from which to choose.

A New Buying Attitude

THERE is, as indicated in the foregoing, a reason for all this. Competition in a slightly narrowing market has forced it. Truck buyers should take advantage of it and look over the field well before making any selection. No longer is it a case of simply buying "a 2-ton truck" of a good standard make and putting it to work. The idea of relying on a make of good reputation still holds good, but we find now that in the models offered by our favored manufacturer there are several designs, one of which is intended to fit more closely our own particular need. And we find that another manufacturer, also of good reputation and with a most reliable truck, is trying to get our business by creating a model which, on our special

kind of work, will offer just a bit more satisfactory service.

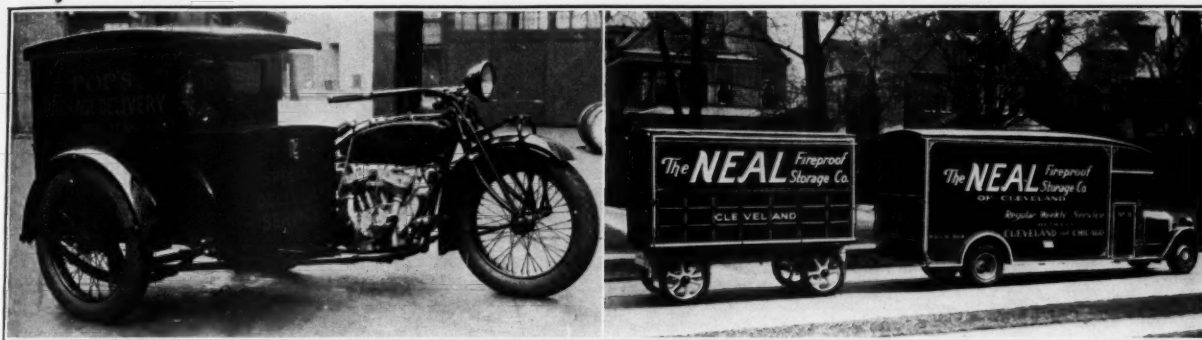
All this makes the problem of selection somewhat more difficult. Yet there is one great source of satisfaction for the bewildered purchaser. Unquestionably the leading truck manufacturers are sincerely anxious to place their trucks properly. They are actually interested in helping the users of delivery equipment to buy transportation—not trucks; to think of such equipment as a service, not as a product; on a basis of what it will do for them, and not what it is.

The point deserves emphasis and can be made clear when we say that it is a common thing today for a local truck sales agency to make a complete analysis of a prospective purchaser's delivery requirements to show why and how the

types and capacities of trucks which it recommends should be used. Among the larger and best reputed manufacturers who offer this analysis service, engineers are employed who do nothing except this. Although, of course, their purpose is to sell the equipment, the writer's experience has been that most of them study each problem fairly-mindedly. The service is quite worth while and if the buyer knows enough about his own conditions to agree or disagree intelligently with the report, he does well to take advantage of it.

New Kinds of Units

THE problem of proper equipment selection has become more complicated also by the reports we hear of greater economies and better results ob-



Left, on package delivery work—a field that many warehouse owners have profitably entered as a part of their transfer business—there are many advantages in the use of the motorcycle service car. Right, trailer equipment of this type, as pointed out in the accompanying text, is coming in for serious consideration for use in making warehouse hauls—van and trailer of the Neal Fireproof Storage Co., Cleveland

tained from types of delivery equipment other than trucks. Trailers, semi-trailers, demountable bodies, motorcycle service cars and such units are, of course, not new, but general appreciation of them has just lately gained considerable momentum.

The writer, in reviewing his observations of results gained from them, is helpless to compare in general terms the advantages they offer. No two of these types of equipment can be said to be in competition with each other. Each is for a definite purpose and often an ideally selected delivery fleet comprises a combination of two, three or all types, each for its purpose. It is, therefore, hardly possible to become an advocate of one method as compared with another. All that can be said here is that any thorough attempt to economize on deliveries should take them all into consideration. Here the most that can be done is to point out what each is designed to accomplish and wherein its chances for economy lie.

What Motorcycles Offer

THE principal advantage the motorcycle service car offers, of course, is its solution to the parking and traffic problem. A small vehicle is easily manipulated and can, it has been found,

make greater running speed in traffic, and save enough time in parking, more than to make up for its lesser carrying capacity when used on the particular kind of delivery for which it is fitted. In other words, on many routes in large cities, while the carrying capacity of this vehicle is less than that of a light truck, it can deliver a light load and get back again in perhaps half the time.

There is no question about the fact that no other type of motor vehicle can get through traffic so quickly, and park in such a small space, as the motorcycle with a delivery van attached. Moreover the capital investment and running expense of such a vehicle are comparatively low. Its principal use, therefore, is for special delivery purposes and for supplementing other vehicle equipment on work for which it is especially fitted. It is not to be considered as a substitute for truck delivery and cannot be said to be in competition with it. The motorcycle service car is an auxiliary piece of equipment which will carry loads up to 400 lb., but beyond that weight of load, or beyond its limitations of bulk capacity, it does not enter the field.

As a serviceable piece of equipment that is most economical on work for which it is intended the motorcycle ser-

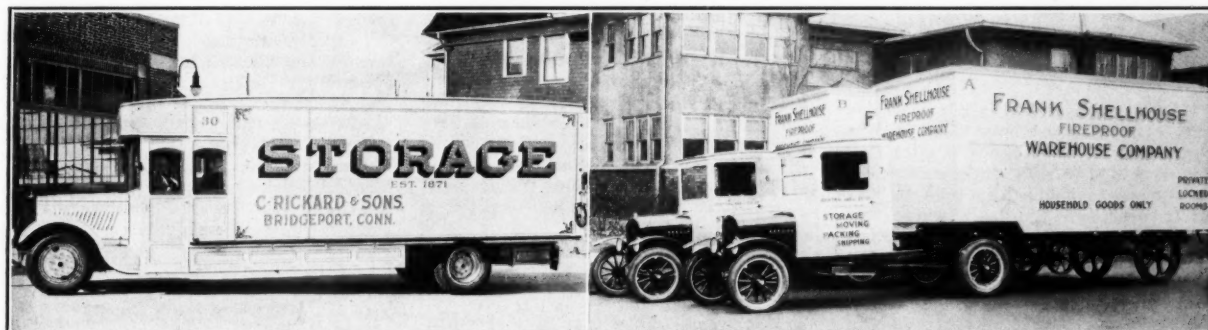
vice car has a real field of use, and although not suited to heavy hauling it can be safely recommended for the serious consideration in any effort to modernize a delivery system.

Advantages in Trailers

WE have mentioned that many delivery systems are using trailers with remarkable success. We hear of many instances in which the use of trailers has shown unusual economies over the use of trucks. Again, however, it is a mistake to consider the two methods competitive. Each has its place. In planning hauling equipment the important consideration is determination as to whether the truck by itself, the truck and trailer, or the truck with demountable body, best fits the particular need at hand.

Primarily the function of the commercial trailer is to reduce hauling costs in these three ways: (1) by increasing the payload capacity per motor unit; (2) by eliminating motor idleness during loading and unloading operations; (3) by matching the needs of special merchandise with special bodies.

As mentioned previously in this department, State highway laws restrict the weight of the merchandise which may be hauled on four wheels, on a sin-



Improvements are being made rapidly in motor trucks. New models offer not only better appearance and improved features of design but manufacturers are tending to match the trucks more closely with the purchasers' special needs. Left, handsome van of a Bridgeport, Conn., firm. Right, tractor semi-trailer combination operated by the Shellhouse company in Indianapolis

gle axle, and on a given amount of rubber. The fact that 80 per cent of the weight of any load carried on the average truck falls on the rear springs and is communicated to the road through the rear wheels is an important factor in determining the maximum pay load of a truck.

Most any truck can haul a trailer with ease. Because the load is carried on eight wheels, the combination has, in many States, a legal weight allowance double that of the truck. In other words, unit for unit, the truck-and-trailer combination increases the pay load 100 per cent. The running expenses—for oil and gas—are increased at the most not more than 20 per cent.

This, then, is the field of the trailer. Its capital investment is low. It adds little to running expense. It doubles up the capacity of the truck. It may be left to stand idle during loading and unloading periods without the waste that is involved when a truck stands idle for this period. These are the things on which the successful uses of the trailer that we hear about have been based. If they are advantages which in an individual business are important, then their use may be generally advised.

In consideration of the trailer it is important to note that the needs of special kinds of merchandise or special kinds of loading and unloading conditions may be easily matched in the design of the trailer. Many different styles, sizes and body types are offered as standard equipment by trailer manufacturers; and, moreover, close cooperation can be obtained in developing a special form of construction to meet a particular purpose.

Tractors and Semi-Trailers

CARRYING still further the advantage of the trailer as a means of cutting down idle time of expensive equipment, we have the tractor semi-trailer combination. Here the tractor (the expensive part of the equipment) becomes the locomotive and the semi-trailers are the freight cars.

A complete single unit of this equipment usually consists of one tractor and anywhere from two to eight or ten semi-trailers. The semi-trailers, easily hooked and unhooked to the tractor, are left alone to be loaded or unloaded. The tractor keeps continually on the move, hauling one at a time to its destination, then unhooking and proceeding to haul another.

Most unsuccessful uses of the tractor semi-trailer method have been in businesses that are not of sufficient size or that do not have sufficiently uniform requirements to enable the plan to work out in practice. Similarly where work can be planned ahead and systematized, particularly on hauls between the central point and branch depots, there are big economies to be gained.

Demountable Bodies—Containers

VERY much the same principle applies to the use of demountable bodies and unit containers. They require a business of rather large size and of fairly uni-



Here is the new Mack truck Model AK. Capacity 3½ to 5 tons. There are three standard wheelbases—162, 174 and 186 inches. The cab is all steel with sliding doors and is mounted on rubber shock insulators

form delivery requirements which can be systematized, actually to display their merits.

Demountable bodies, as most truck users know, apply the principle of the semi-trailer; that is, the effort to keep the truck itself busy. The truck itself is merely a chassis with a roller type of platform. The bodies are separate and are kept at the loading point and loaded there. When the truck has returned with an empty body the latter is rolled off; and another body, which has been loaded, is rolled on and the truck then can proceed immediately on its way.

As in the case of trailers and semi-trailers, many special kinds of demountable bodies are available and specially designed units are the rule rather than the exception. The use of demountable bodies, of course, requires that special arrangements be made for loading to accommodate the bodies which are retained at the loading platform. A very closely coordinated system is necessary and the difficulties that often surround this have been the cause of a somewhat slower general acceptance of this means of transportation.

Unit containers are an adaptation of the methods employed in the use of demountable bodies. In actual use they are the same. The difference is in the form or type of the equipment. Where the demountable body is a complete body which slides on and off the bare chassis, the unit container is a steel or wire cage which fits into a body frame which is a permanent part of the truck.

Unit containers go a step further than demountable bodies. They may be run on tracks after they leave the trucks so that loading and unloading may be handled at the particular place that is most convenient.

Today's Transportation Viewpoint

WITH the foregoing explanation of the various types of equipment that are available to the user of transportation, there is much food for thought. It cannot be said on general principles that a certain type of equipment is to be recommended, even though the recommendation should be made with reserva-

tion. Nor is it of value to quote instances of how one or the other has worked out profitably or unprofitably in any particular case. Local and individual conditions vary so much that one man's meat is indeed another man's poison. So, with a knowledge of what the important equipment units are, it remains for the individual operator to neglect none of them in his consideration of improving his methods.

More and more today the forward-looking operators are analyzing and comparing cost records to determine the suitability of particular vehicles for particular services. They are taking trucks out of one class of service and placing them in others to which they are better adapted. Obvious misfits are being disposed of and replaced with more economical units. They are splitting up routes in some cases and combining in others. Where analysis shows that one or more light trucks will provide service at less cost, these operators are not using heavy duty units; and, conversely, they are not using light trucks where analysis shows that heavy duty units will give better results.

It isn't always easy to determine just what capacity of truck and type of body are best adapted to a particular service, because often all of the facts regarding that service are not available. Yet these facts can be obtained by keeping proper records for analysis and comparison and by experiment, and progressive operators in both the truck and bus fields are obtaining them in this manner, with the result that they are getting better transportation service and lower costs.

The motor vehicle is the tool of the highway transportation industry and, like all other implements, it must be used properly if it is to produce the results of which it is capable.

The New Ford Truck

ONE of the most important of the new Ford products is the Model "AA" truck, introduced to succeed the Model "T." The newcomer is officially designated as the 1½-ton type, but its motor

horsepower and sturdy construction permit of heavier than 1½-ton loads.

The motor is similar in design and performance to that of the new Model "A" passenger car. It develops 40 hp. at 2200 r.p.m., or just double that of the "T" motor.

Like the new Ford passenger vehicle, the truck is equipped with 4-wheel brakes of the mechanical internal expanding type, starter, speedometer, gasoline gauge, ammeter and safety ignition lock.

Design and construction of the new truck are intended to provide unusual speed and power in its class. The prices range from \$260 for the chassis to \$610 for the chassis with stake body. Prices, new and old, follow:

	New	Old
Truck chassis	\$460	\$375
Chassis with cab	545	460
With cab and express body ..	600	515
With cab and stake body	610	525
With cab and platform body ..	595	525

Specifications of the new truck include the following:

Road clearance when loaded, 9 13/16 inches. Tires: heavy duty, 30 x 5, standard both front and rear; 32 x 6 tires are offered as optional equipment for rear wheels. Tread, standard, 56 inches. Turning radius, 21 feet; turning circle, 42 feet. Wheels, Ford make with steel spokes. Wheelbase, 131 inches.

Other New Models

ATTERBURY MOTOR CAR CO., Buffalo: Rated from 2½ to 3 tons, the Atterbury Big Six is designed for high speed service in the larger capacity class especially required in long distance inter-city hauling. The Cold Spring Storage Co., Inc., Buffalo, has added a car of this new type, equipped with van body, to its fleet. Its capacity is 1000 cubic feet. It has van linings, 34 x 7 pneumatic tires all around with dual rears, and 20-gage sheet metal sides. It is capable of a speed of about 55 miles an hour and it is equipped with the large type 6-cylinder Lycoming motor. (See illustration on page 41.)

Mack Trucks, Inc.: Model AK has a capacity of 3½ to 5 tons, with 162-inch, 174-inch and 186-inch standard wheelbases, and retains many of the characteristic "Bulldog" features. It is a high speed heavy duty carrier, and 4-wheel brakes are standard. The cab, all steel with sliding doors, is on rubber shock insulators; the seats also are mounted in rubber. (See picture on page 54.)

Stewart Motor Corp., Buffalo: Models 25 and 25X are 2-ton trucks respectively with 4-cylinder and 6-cylinder engines and listing at the one price of \$1,895 f. o. b. Buffalo. An option of three wheelbases is furnished—standard, 145 inches; long, 165 inches; and short, 130 inches. Wheels are of the cast steel spoke type equipped with Firestone demountable rims and 32 x 6 inch front and 34 x 7 inch rear pneumatics, with 32 x 6 rear duals at option of buyer but at extra cost. The chassis weight of the 4-cylinder is 3750 pounds and of the 6-cylinder, 3850 pounds.

White Co., Cleveland: A 1¼-ton, list-

ing at \$2,725, has been added. This is Model 57. Spoked cast steel wheels are standard, with disk wheels optional at extra cost. These carry 32 x 6 inch tires front and rear. Overall length is 200½ inches.

Selden de Luxe Truck

ILLUSTRATED on page 41 is a 2-ton speed truck (Model 37 Pacemaker) specially designed by the Selden Truck Corporation, Rochester, N. Y., for the J. J. M. Transfer Co., Buffalo, for use in carrying out a contract to haul ortho-sonic Federal radio units.

The body of this "de luxe" special is the Child's method of fabric construction. Steel mesh takes the place of metal panels, and over this is tensioned Meritas leather cloth. This eliminates drumming and vibration and reduces the body weight to about 1000 pounds. The leather cloth retains its lustrous finish under all climatic conditions and repair costs are at a minimum in case of accident. Body dimensions are 5½ feet wide, 6 feet high and 12 feet long behind the driver's seat. The color combination is black with rich cream wheels, hood and trim. Whitefield & Sons, Penn Yan, N. Y., built the body.

The Selden chassis has a 6-cylinder 62 hp. motor, three speed transmission, electric lights and starter, 32x6 pneumatic tires duals rear, and a 160-inch wheel base, and is capable of 50 miles an hour.

New Selden Department

THE Selden Truck Corporation, Rochester, N. Y., has established a "Special Equipment Department" headed by a man conversant with the company's activities and having the ability to assume the responsibility of transport engineer. His duties will be to compile data and information regarding motor transport and the man special requirements to meet hauling conditions out of the ordinary kind. He will analyze hauling problems and make recommendations for either the standard models or special models required to give the most economical and satisfactory transportation in each individual case. The man appointed is Glenn W. Poyzer.

States' Gas Taxation

NEW Hampshire enforces a 4-cents-a-gallon gasoline tax effective Jan. 1, and sixteen States now levy a tax of 4 cents or more. Arkansas, Kentucky, Florida, New Mexico and South Carolina each collects 5 cents a gallon; Virginia, 4½ cents; and Alabama, Idaho, Maine, New Hampshire, Maryland, Mississippi, Nevada, North Carolina, South Dakota and West Virginia, 4 cents.

Massachusetts and Illinois are the only States not now imposing such a tax.

According to the Federal Bureau of Public Roads New Hampshire is the only State in which a road census has shown that more than half of the traffic over State roads is made up of cars from other States.

Railroads and the Truck

RECOGNIZING the increasing importance of motor trucks and buses, the American Railway Association announced on Dec. 2 the creation of a motor transport division, with A. P. Russell of Boston, vice-president of the New York, New Haven & Hartford, as temporary chairman. The division will have headquarters in New York. Its purpose will be to bring together railroads interested in the development of motor transport as an adjunct to railroad transportation. There are sixty such roads. The first meeting of the division will be held in Chicago in January.

Correction

In the story regarding the change of ownership of the Judson Freight Forwarding Co., in the November issue of *Distribution and Warehousing*, it was erroneously stated that Robert Somerville, the retiring president, would continue operating the Judson Personally Conducted Passenger Tours from the East to Pacific Coast points.

Mr. Somerville has retired from active business, according to Walter J. Riley, the Judson's new president. The passenger tour business was long ago discontinued.

Petriz Heads Business Clubs

John G. Petrutz, secretary and general manager of the Rockford Storage Warehouses, Inc., Rockford, Ill., was recently elected president of the American Business Clubs, a national organization.

Born in Anaconda, Mont., in 1892, Mr. Petrutz was graduated from Georgetown University in 1915 and from the same university's law school three years later. During the war he served as instructor in the Artillery School of Fire at Camp Jackson, S. C. He is active in the civic and charitable affairs of Rockford.

Universal to Add Two Stories

The Universal Terminal Warehouse Co., Houston, has commissioned an architect to prepare plans for adding two stories to the firm's two-story and basement building, at Washington Avenue and Elder Street, at a cost of \$150,000. This will provide 77,000 more square feet of floor space—or 192,750 in all. The addition will be of reinforced concrete and brick and will be sprinklered.

The Universal has purchased property in the 1300 block on Bingham Street and plans to erect a \$7,000 garage.

Gordon Personnel Changes

Announcement is made by W. A. Gordon, president of the Gordon Fireproof Warehouse & Van Co., Omaha, that Joseph Moron, for many years assistant manager and traffic manager, has been promoted to the vice-presidency, and that Paul S. Fleming, who was with the firm from 1914 to 1922, has returned as treasurer and manager.

FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Custom v. Law

USUALLY, the law of warehouse receipts should be carefully observed, particularly in transactions involving large amounts. Otherwise a warehouseman may be held liable in damages of such proportions that the resultant financial loss will seriously hamper successful conduct of the business.

It is important to know that established customs, although well known by all parties in controversy, have considerable less weight with a Court than the written laws.

In the recent case of *Farmer's Bank of Weston v. Ellis*, 258 Pac. 186, a warehouseman was held liable for a large amount simply because he delivered stored goods in accordance with a long established custom instead of following the provisions of the law.

The facts are that a man named Grafton stored merchandise in a warehouse and received the usual negotiable warehouse receipts, the form of which follows:

"Received from Jack Grafton subject to his order hereon, on payment of all charges and the surrender of this receipt properly indorsed:

Lot	Warehouse	Section	Articles
Lot 2	Main	2	545 Sks. Netted Gems (Gems)

"It is agreed that all loss or damage to property occasioned by fire, water, leakage, vermin, ratage, breakage, frost, accidental or providential causes, riot or insurrection or to perishable property is at owner's risk, and any class of goods not properly packed at owner's risk. Not responsible for shrinkage in weights.

"Warehouse receipts must accompany delivery orders.

"Storage per contract"

"Net weight handed in 56,728 lbs. "

"Ellis Transfer, by E. D. P."

Grafton entered into an agreement with a bank whereby the former indorsed the receipts to the bank as security for a loan. Later Grafton had opportunity to sell the merchandise and obtained permission from the bank to consummate the sale, but did not take possession of the receipts. Grafton went to the warehouseman and explained the situation.

It had been customary in this locality, when goods of this nature were pledged to a bank as security for a loan, for the pledgor to dispose of the property as agent of the bank without presenting the receipts, and afterward account for the proceeds to the bank. For this reason the warehouseman did not hesitate to deliver the merchandise to the purchasers without presentation of the receipts.

No doubt this transaction would have been completed without unusual complications, as had many other previous similar dealings, but for the fact that controversy involving payment of the borrowed money developed between Grafton and the bank. The bank sued the warehouseman to recover the loss, contending that the warehouseman was liable for the value of the goods inasmuch as the merchandise had been delivered without presentation of the receipts or other written instructions from the bank.

The counsel for the warehouseman argued that although the law provides that stored goods shall not be delivered to any person without delivery of the warehouse receipts, or written order, the warehouseman was not liable because the bank had verbally authorized Grafton to instruct the warehouseman to deliver the goods to the purchaser, and

deposit in the warehouse and the issuing of the receipt to the final delivery of the goods by the warehouseman to the holder of the receipt, should be evidenced by some statement in writing, so as completely to preclude any attempt by an unauthorized person to get possession of the property. . . . As a matter of public policy, . . . should not be construed to be an agent, unless he either has possession of the receipts and offers to return them or cancel them upon delivery of the property, or has written authority from the person holding the receipts. A 'duly authorized agent' is a person having the written authority."

Title to Notes

LEGAL EDITOR, *Distribution and Warehousing*: We stored merchandise for a firm by the name of Halligan Co., who leased from us one of our warehouses, but the merchandise we stored was stored in another building which we operated as a public warehouse. We issued negotiable warehouse receipts on this merchandise to the Halligan Co.; they in turn indorsed them and gave them to the Des Moines National Bank as collateral security. The note for which they were security provided they should be used as collateral security for this note or any other indebtedness held by the holder of the note, whether due or not. The Halligan Co. was doing business with the Iowa Trust & Savings Bank and on March 31 the bank had cashed some of their checks. On this date a receiver was appointed at Davenport and the Iowa Trust & Savings Bank purchased these notes on April 1, the day after the receiver had been appointed and qualified. The present litigation involves the cash in lieu of the merchandise, covered by the warehouse receipts.

Please offer suggestions to assist our attorneys.

Answer: While this controversy presents an entanglement of legal questions, it is my opinion that title to the notes automatically passed to the Des Moines National Bank, instead of to the receiver, although there are cases, which involve somewhat similar points of the law, in which the Courts differ.

Since you state your attorneys have information of old cases to the point, the following very recent cases may interest them:

Atkinson v. McCarthy, 251 Pac. 861; *Fisk Rubber Co. v. Lower*, 248 Pac. 825; *Williams v. Flagg Storage*, 220 N. Y. S. 124; *Continental Trust v. Western*, 134 Atl. 140.

Also, the following are leading cases on the subject:

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that it was customary in transactions of this kind for warehousemen to deliver merchandise on verbal order.

The lower Courts held the warehouseman not liable, but the higher Court reversed this verdict and, in holding the bank entitled to receive payment from the warehouseman for the goods delivered without presentation of the warehouse receipts, stated the law, as follows:

"This whole case may be condensed in practically one proposition: Was Grafton the duly authorized agent of the plaintiff bank to the extent of authorizing him to cause the goods to be shipped without presentation of the receipt to the warehouseman? It is an important question, largely depending for its solution upon the construction of the law as indicating the intent of the lawmakers in enacting it. We take it that the object of the law, as shown by its many provisions, was to see that each step taken, beginning with the

(36 S. W. 131), (134 U. S. 658), (99 U. S. 258), (100 Fed. 897), (31 Iowa 428), (176 U. S. 298), (136 U. S. 89).

Contract with Customer

SOMETIMES a warehouseman may importantly reduce his liability for loss or damage to goods, where a properly formulated contract exists between the parties.

For instance, in a recent higher Court decision it was disclosed that an agreement, titled "Warehouse Receipt and Contract," between a warehouseman and the owner of stored goods, contained the following:

"Received for the account of H. A. Pickering the goods enumerated in the schedule below in apparent good order except as otherwise noted. Said goods are received subject to the following conditions, which are agreed to by the acceptance of this receipt and contract:

"The responsibility of this company for any article or package listed on this receipt, with the contents thereof, while in its warehouse or being carted to or from the same by it, is limited to \$25, unless the value thereof is made known at the time of storing, noted on this receipt, and a higher storage rate paid therefor."

A bundle of valuable rugs was damaged, and the owner sued to recover its value, claimed to be \$200. During the trial it was proved that the owner did not inform the warehouseman that the rugs had a greater value than \$25. Also, the warehouseman did not direct the customer's attention to the foregoing clauses in the contract.

However, the higher Court held the warehouseman liable for only \$25, and said:

"We are of the opinion that paragraph 4A of the warehouse receipt in the instant case did not seek to exempt the warehouseman from negligence, but that it was a stipulation designed to limit the amount of recovery to an agreed valuation in case of loss. This being an action in trover and conversion, there could be no recovery of any sum except upon the theory of negligence. The negligence being admitted, the reasonable provisions of the warehouse receipt limiting the liability to \$25 control.

"It cannot be said in this case that there was an effort on the part of the storage company to evade responsibility for the failure to use diligence and care in the preservation of the goods. By the provisions of section 5 of the warehouse receipt, the warehouse company clearly assumed responsibility of using diligence and care in the use of the following language: 'It is further agreed that this company in storing said goods will use diligence and care in the preservation of the goods placed in its warehouse,' etc.

"There was therefore no question of responsibility for negligence. The only question before the Court is as to the measure of that responsibility. The company being bound to use care, the provisions of Section 4A fixed the meas-

ure of that responsibility, and the judgment should therefore have been in the sum of \$25."

Receipts v. Contracts

IN the case of *Small v. Slater*, 257 Pac. 625, a dispute arose over a misunderstanding involving the quantity of apples stored in a warehouse.

The facts are that the owner of a large orchard, after picking the apples, hauled them to a packing house, where they were assorted, graded, and packed into boxes, and from thence were hauled by truck to the warehouse. As each truck load reached the warehouse, a receipt was issued for the number of boxes of apples contained in the load and delivered to the driver of the truck. The receipts as usual stated the receiving date, the number of boxes of each variety, and the grade received.

Later the owner ordered the warehouseman to ship the apples to a purchaser. After all of the apples had been shipped it was discovered that approximately 650 boxes of the apples called for in the receipts were missing. The owner sued the warehouseman for non-delivery of 650 boxes of apples at \$2.50 a box.

The warehouseman contended that the discrepancy was the result of a mistake in issuing duplicate receipts. The lower Court held the warehouseman liable, but the higher Court reversed this verdict and, in commenting on the face value of receipts in controversies of this nature, said:

"On the general question, that is to say, on the question whether the receipts not admitted to be duplicated were in fact duplicated, we are inclined to the view of the trial Court. The receipts are, of course, outstanding and they furnish *prima facie* evidence that the number of boxes called for by them was actually delivered. Nor do we find that the extrinsic evidence bears more heavily in favor to one party than it does the other. The oral evidence of the parties is in direct conflict, and the attempt of checking from independent sources throws no certain light on the controversy."

In other words, irrespective of whether duplicate receipts are issued, the warehouseman is liable unless convincing evidence is introduced to prove that actually the duplicated receipts were issued. The same is true where the owner claims that goods destroyed or lost are of a high quality. The warehouseman is bound to prove that the receipt is erroneous in specifying high grade goods, otherwise he is liable for the value of the merchandise as indicated by the receipts.

In the foregoing case the owner contended that the boxes of apples that were unaccounted for were of the extra fancy grade, whereas the warehouseman failed to introduce testimony pertaining to the quality of the apples in controversy. For this reason the Court held that all of the apples unaccounted for were of the extra fancy grade, and allowed a recovery for the value of

apples of that grade, whereas many of the receipts showed that a number of the boxes contained apples of a lower grade than the extra fancy.

In a sense, a warehouse receipt is but one form of a contract, between the warehouseman and the owner of the stored goods, subject to certain well defined rules and regulations outlined by the laws relating to these special forms of contracts. Moreover, warehousemen enter into many other various forms of contracts relating to different phases of the business, as storage contracts, contracts of sale, contracts of employment, and the like.

Therefore it would be well to review a few leading and higher Court decisions involving various forms of contracts.

Broadly speaking, a valid contract represents any legal transaction between two or more persons as a result of which both of the parties assume obligations to perform certain acts. (*Chaves v. DeBergere*, 231 U. S. 482).

In *Jones v. Tucker*, 84 Atl. 1012, it is interesting to observe that the Court said:

"A contract is defined to be an agreement between two or more persons, for a good and sufficient consideration to do or not to do a thing. It is not necessary that a contract be in writing, and may be either expressed or implied. An expressed contract is one where the terms of the agreement are stated in so many words; and an implied contract is where the law *presumed* a promise on the part of the party benefitted."

Still another Court explained the essence of a valid contract by saying:

"It may be either expressed or implied. It may be either written or oral. It must result from a meeting of the minds of the parties in mutual assent to its terms. It must be founded on a sufficient consideration. It must be mutual, free from fraud or undue influence, not against public policy, and sufficiently definite."

The important difference between a verbal contract and a written one is that testimony must be relied on to prove the contents of a verbal contract, whereas a written contract speaks for itself and no verbal testimony is permitted by the Courts to vary the written agreement.

Moreover, under certain circumstances a contract may be implied by the Court. In other words, although no actual verbal or written agreement exists between two persons, yet the acts of both and the circumstances surrounding the business relations of the two parties may be such that the Court will decide that contractual obligations were assumed.

Generally, however, the parties involved *must have intended for a contract to exist*, otherwise neither party is bound, unless the circumstances are such that the Court for the purpose of effecting a fair and equitable settlement implies a contract or parts of it.

For example, a warehouseman may agree with the owner to perform work on stored goods, but with no agreement relative to the charges. Later the owner may attempt to avoid paying the

warehouseman for his services, on the contention that no contract existed; and, that as no charges were mentioned or specified, the warehouseman is not entitled to payment. But it is interesting to observe that this point of the law was thoroughly considered by a recent Court which held that any person who performs a service is entitled to receive reasonable compensation therefor, irrespective whether the same was mentioned or agreed upon at the time or previous to the performance of the service.

In *Weinberg v. St. Louis Cordage Co.*, 116 S. W. 461, the Court said:

"Strictly speaking, the question of intention between the parties is wholly immaterial in those cases where the law implies a contract. In other words, the law implies contracts under circumstances where the minds of the parties do not meet on a given subject, as, for instance, where a party which without an intention to pay therefor requests another to perform services for him. In such cases, unless it appears the party rendering the services intended it should be gratuitously performed, the law will imply a promise to pay. In such a case, though it is certain there was no meeting of the minds, the law nevertheless implies a contract to pay."

Still another common source of litigation is where a person refuses to abide by the provisions of a contract because he failed to read it, or did not understand his obligations at the time of affixing his signature.

In *Security v. McGaskill*, 135 S. E. 450, the Court said:

"The duty to read an instrument, or to have it read, before signing it is a positive one, and the failure to do so, in the absence of any mistake, fraud, or oppression, is a circumstance against which no relief may be had, either at law or in equity. . . . There are none so blind as those who have eyes and will not see; none so deaf as those who have ears and will not hear."

And in the leading case of *Opton v. Tribilcock*, 91 U. S. 45, the Supreme Court of the United States established the law, as follows:

"It will not do for a man to enter into a contract, and, when called upon to respond to its obligations, to say that he did not read it when he signed it, or did not know what it contained. If this were permitted, contracts would not be worth the paper on which they are written. But such is not the law . . . if he will not read what he signs, he alone is responsible for his omission."

On the other hand, a contract may be held invalid and unenforceable if either party practised deceit or fraud on the other, as a result of which the complaining party was induced to sign the contract. This is true whether the contract is verbal or written. Silence of one party may result in the contract being declared void, particularly where the effect of the silence is to practise fraud on the other party.

For illustration, in *Gayne v. Smith*, 134 A 62, in holding a buyer not liable on a contract of sale, where the seller

remained silent of defects in the merchandise, the Court explained the law as follows:

"A vender (seller) of property may not do anything to conceal from the vendee (buyer) a material fact affecting it, or say or do anything to divert or forestall an intended inquiry by him, or deliberately hide defects, for in so doing he is not merely remaining silent, but is taking active steps to mislead. So the surrounding circumstances may be such that the effect of his silence is actually to produce a false impression in the mind of the vendee (buyer), and the making of an agreement, or doing of some other act, may in itself lead the buyer to believe that a certain fact exists and so amount to an affirmation of it. So the seller may stand in such a relationship of trust and confidence to the buyer that it is his duty to make a full disclosure."

While this very recent decision relates to a controversy between a buyer and seller, the law is exactly the same with respect to other kinds of contracts, because under no circumstances is either party to a contract legally permitted to deceive the other.

Filing Complaints

In the recent case of 137 S. E. 83 the litigation involved the question whether the owner of an interstate shipment is bound to file a written complaint, with the carrier within six months after the goods are damaged. Instead of filing the complaint, the shipper sued the carrier to recover the value of the goods.

The common carrier contended that the shipper had lost his rights to recover damages in failing to give written notice of the complaint, and that filing of a suit was not compliance with the stipulation on the bill of lading requiring the shipper to give the carrier a written notice of the claim within six months.

The Court held that filing suit was sufficient notice, and quoted:

"Notice and filing of claim warns the carrier that there may be need to make investigations which otherwise might not appear to be necessary; and if notice of claim is given and filing of claim is made within a reasonable time, it serves to enable the carrier to take timely action to discover and preserve the evidence on which depends a determination of the merits of the demand. . . . All claims against counties must be presented within twelve months after they accrue or become payable, or the same are barred. The Courts of this State have several times held that the bringing of suit within this time limit is a sufficient presentation of the claim."

In this case, also, the carrier attempted to avoid liability for damages on the contention that the shipper failed to prove that the damage was caused by the carrier.

In holding the shipper entitled to recover, the Court said:

"The bill of lading recited that the

goods were received 'in apparent good order,' and the evidence showed that they arrived at their destination in bad order. In the absence of anything in rebuttal, this evidence was sufficient to make a *prima facie* case of liability."

Chattel Mortgage Rulings

SOMETIMES a purchaser of mortgaged property becomes involved in litigation where he buys property not knowing that it is mortgaged. It is important to know that the Court will not declare the mortgage invalid, simply because the description of the property is not definite.

In the case of *Messenger Pub. Co. v. Overstreet*, 137 S. E. 125, the Court explained the law on this subject and said:

"Where one purchases mortgaged property with actual notice of the existence of a certain mortgage thereon, the description of the property in the mortgage need not be of a definiteness sufficient to constitute constructive notice by a record of the mortgage to a purchaser of the property, but need only be of a definiteness sufficient to constitute a good description as between the parties to the mortgage."

Therefore, it is quite apparent that the description of the mortgaged property in the mortgage may be vague to a person unfamiliar with the property, and yet the mortgage is valid if the description is clear to the mortgagor and mortgagee.

In *Coffman v. Citizens*, 290 S. W. 961, it was held that where the holder of a mortgage permits the owner to hire another person to expose the property for sale, the mortgage is invalid against persons who purchase the property in good faith.

In the recent case of *Finkel v. Famous*, 135 Atl. 51, a higher Court rendered an important opinion to the effect that a chattel mortgage is void where the holder makes untrue statements of the amount of money advanced to the owner of the property at the time the mortgage is made. The facts of the case are that the owner of the property received only \$6,700 from the holder of the mortgage which specified that the amount received was \$9,956. In holding the mortgage void, the Court said:

"The law does not require technical nicety, but it does exact that the affidavit to a chattel mortgage truthfully set forth the consideration. The mortgage is void."

In *General Highways System v. Thompson*, 155 N. E. 262, it was held that where a person mortgages property which he retains in his possession and afterward sells it, the law will presume that the sale is made with permission of the holder of the mortgage, unless testimony is introduced to prove the contrary. Moreover, where the holder of the mortgage stands by and permits the sale of the mortgaged property, it is presumed that the proceeds of the sale was applied to the mortgage debt.

Taxation—Burdensome and Otherwise*

By JOHN R. NICHOLS,

Vice-President Merchants Warehouse Co., Boston

APPARENTLY all taxes are burdensome, and of necessity must be burdensome, to the man who has to pay. Coin is extracted from him that he might otherwise keep or spend on himself. Then why talk of burdensome taxes, if such there be?

Business, an all-inclusive term as I shall use it, comprises all that mass of useful human activity which from the point of view of the individual produces a living for him, and from the viewpoint of the rest of us supplies our markets with the commodities and services which we all require for our existence, comfort and happiness. A huge concept, is it not?

Business includes all of manufacturing; all of merchan-

dising, component parts of which are transportation and warehousing; all of banking and financing; and I include in my present use of the word all of the professions. When we speak of prosperity we mean business. It is worth while to foster and encourage business even though to do so we have to lift ourselves out of some of the mental ruts in which we have thought we were pretty comfortably sure.

Some kinds of taxes are a severe burden on business and others are not. It is my purpose to indicate to you the kinds of taxes that are burdensome and those that are not burdensome to business.

IF the doing of an act of business necessarily results in the collection of a tax, that tax is burdensome to business. That business act, to be successful, must not only result profitably, to the doer; it must first pay the tax. The tax is a handicap which all business must first overcome before it can be successful. All new undertakings (business growth) must provide for that tax and then show a profit, else they will not be undertaken.

The State now says to each individual in its tax laws:

"If you erect a building which our assessors value at \$100,000 we will take from you \$3,000, not once but every year. If you own and operate a machine which assessors value at \$20,000, we will take from you \$800 every year just because of that fact. We don't want to discourage you, but we need the money and we shall take it. Don't erect the building, destroy the machine, and we will collect no tax. If you drive your automobile at excessive speed our Courts will extract a sum of money from you, perhaps \$50, every time we catch you at it. We hope to discourage you and we call it not a tax but a fine. If you peddle whiskey our Courts will extract a fine. Again we hope to discourage you."

The results are parallel though the intent varies. The tax is a burden on business, a deterrent to the promoter; the fine is a burden on the bootlegger, a deterrent to the speeder. The \$30 per thousand tax taken every year capitalized at 5 per cent interest is

equivalent to a 6 per cent ad valorem burden on the erection of buildings and the production of machinery for use. That is the nature of the tax burden on business and an index of its severity. That is the handicap imposed by our own legislative Acts which business must overcome before it can function.

Whose human activity created the earth, the planet on which we all live and from which our subsistence is drawn? Whose business efforts caused the natural fertility of farming regions? Who planted the minerals, coal, oil, iron, copper, and all the rest? At any rate not a human business man.

In our cities we find immensely valuable sites—mere space on the planet in choice locations. Whence arises their value? These are manifestly not created by nature or by divinity, but are distinctly of human origin. We all contribute to them as an incident of our business. Every shopkeeper knows how street traffic affects the value of his location. The banker has sound reasons for placing himself in the financial district; the wholesaler for locating where buyers congregate; the warehouseman where transportation by highway, railroad or water and the convenience of his customers may indicate. Community growth and activity largely create urban land values. Municipal and State expenditures contribute the remainder. Streets and highways, harbor dredging, police and fire protection, and in residential districts educational facilities, are important factors. The individual owner of a particular site contributes his share to the site value of the entire city, and a proportionate

part of his contribution accrues to his own site, but it is very small. It is incidental to the conduct of his business and not its objective. If he does no business his contribution is negligible.

Suppose we take for public purposes a large part of the annual value of land, if necessary nearly the whole of the annual value, including all value resident in nature and created by community activities, excluding all values created by human agency directly for business purposes. What, then, will be the effect of this tax on business? Will it not be burdensome? It will not. The area of the planet will not be diminished by it; farms will continue to yield their produce, minerals will still be found, rivers and factories will not cease to run, nor will the usefulness of urban sites be reduced because of this tax.

Each individual land owner will pay independently of his business, whether he conducts it well, ill, or not at all. He will pay because he controls a valuable business opportunity; he will pay in proportion to the value of that opportunity and whether the opportunity is used or not. This tax is not levied on a business man because he has provided himself with the materials, tools and shelter necessary for his business or because he is conducting it well. Consequently it will not deter him from undertaking business; it will not add inducement to quitting business, it will not be a burden to his business.

My suggestion, therefore, is not that we shift about the burden of taxation, decreasing it here, increasing it there, looking always for new excuses for taxing people according as signs of pros-

*Address before Massachusetts Warehousemen's Association.

perity indicate their enterprise and industry. Let us rather abolish entirely all those taxes which are burdensome and collect the necessary revenue from people in a manner that will not tend to discourage them from business activity.

If this proposition has interested you, many questions must have arisen in your mind. I will attempt to anticipate only two.

First, "Is the revenue suggested sufficient?" Answer, "Yes; amply sufficient." Before I attempt to demonstrate that to you, let me say that even if it were not sufficient, business might well be relieved of a large part of its present tax burden. The question is important, however, and looms so large in the minds of many who have given casual thought to it that I shall attempt two independent demonstrations of the correctness of my answer; first, reasoning from fundamental considerations; and second, by presentation of figures.

The entire expenditure of city, county and State is reflected in land values and appears nowhere else. Even though money raised by taxation is spent wastefully, the building of streets and highways, police and fire protection, waterworks, education, are so useful, so valuable, so necessary, that in the aggregate they are worth all they cost. As a business proposition this must be so or we would not continue them. And their entire value attaches to the value of the land. Even the vacant lot; its owner commands the advantages created by public expenditure and inherent in its location. On the quality of the advantages depends in part the value of the lot. But only a part of the value arises from public expenditure. Therefore the value of land in the aggregate, expressed in terms of dollars per year, is greater than the aggregate of taxes necessary to meet the expenditure, and always will be greater unless extravagance and wastefulness become unnecessary and unbelievably gross. So, much for fundamental considerations, though much more might be said.

City and town, State and county taxes in Massachusetts in 1926 aggregated \$266,000,000 in round figures. The local tax on land exclusive of buildings was about \$66,000,000. The assessed value of land exclusive of buildings, as of April 1, 1926, was about \$2,193,000,000. The total tax was therefore about 12.1 per cent of the assessed land values. But that is only part of the picture. Assessed values are generally acknowledged to be less than market values. I have heard opinions ranging from 50 per cent to 80 per cent as the ratio between assessed and market values. If 73 per cent be assumed, the market value of Massachusetts land was about \$3,000,000,000. The total of taxes was about 8.9 per cent of that value.

Still we have only a part of the picture. The market value, which assessments are supposed to approximate, represents the value of land subject to an annual tax of \$66,000,000 on the land itself and in a market where busi-

ness is taxed \$200,000,000 each year. Since we are trying to discover whether land values are capable of producing sufficient revenue, we are concerned with gross, rather than net, value, or value-for-use, and in a market where business is tax-free. Capitalizing the present (1926) annual tax on land at 5 per cent interest yields \$1,320,000,000, which added to \$3,000,000,000 gives \$4,320,000,000 as the gross value for use in the present market with business taxed.

It is not clear to what extent freeing business from taxation would raise land values. It would depend largely on how extensive an area accomplished this step with the surrounding territory continuing to tax business as at present. If the step were confined to one city, practically the entire tax capitalized might be added to the value of land so that the selling prices would change only slightly. If the taxation of business were abolished throughout the Commonwealth, the competition of the valuable vacant or near-vacant lot would probably force down selling prices somewhat. That is to say, the freeing of business from taxation would only partially offset the imposition of an equal aggregate tax on the value of the land itself. I shall assume that the extent of the offset would be 50 per cent. The business tax is \$200,000,000 annually; 50 per cent is \$100,000,000; capitalized at 5 per cent is \$2,000,000,000. It is reasonable to suppose that the total value for use of the land of this Commonwealth in a tax-free market is at least \$6,320,000,000. The annual value at 5 per cent is \$316,000,000, which is \$50,000,000 in excess of the aggregate of taxes in 1926.

Land Taxes Held Ample

The amounts of assessments and taxes are derived from Public Documents Nos. 16 and 19. The percentages used are subject to question and correction. The reasoning, I believe, is sound and the conclusion substantially correct, namely, that a tax on land values is amply sufficient for all present purposes. As to the future, let me point out that public expenditures and land values grow from a common cause: growth and expansion of the community. In my opinion the annual value of land for use will always be larger than the sum of legitimate public expenditures.

So much for sufficiency. The other question I wish to anticipate is "Confiscation." Dreadful word! Let us see what it means.

That private property shall be sacred, inviolate, is a prime necessity of business and industry. He who cannot reap and securely possess the harvest, will not sow. He who creates property must be secure in the ownership thereof, else he will not create. Security is essential. So far as I can see, this is the only, though entirely sufficient basic, justification of private property.

Who created the planet earth? Who created the value of its choice locations? Certainly not the individual land owner. He has only contributed his share as a

member of the community. Where is the confiscation, then, if the community takes the major part of the annual value of land for public purposes? The individual owner participates in the benefits as a member of the community.

On the other hand how shall we describe the taking by the community of part of your hard-earned incomes and mine? Though mild in extent, that is confiscation in principle and deserves all the opprobrium the word implies.

Hardship, in a few cases, there may be; elderly people, whose resources are largely rents of land, may suffer from the change. But business, which has been supporting such people in the past, can afford to be sympathetic and generous in cases of this kind. Business, freed of the burden of taxation, will require the services of all able-bodied and mentally competent persons. The fear of confiscation need not deter us from untaxing business if we wish to do so.

To recapitulate, business is heavily burdened by income and excise taxes, by property taxes levied on the products of human industry. Is it not worth while to rid ourselves of these burdensome taxes and, in their stead, to collect for public purposes a sufficient portion of the annual value of land?

New Albany Plant Functions

The Central Railway Terminal & Cold Storage Co., Albany, N. Y., stored in December the first products received since this company was established as the Albany branch of the Continental Terminals, Inc., which operates warehousing plants also in Cleveland, Detroit, Montreal and Toronto.

According to Thomas Lowery, Albany representative of the Continental, the Albany branch has already secured enough business to utilize 60 per cent of the new warehouse. A greater part of these will come into storage after Jan. 1 and it is expected that the entire building will be completed and ready for occupancy by March 1.

The chief function of the Albany plant, according to Mr. Lowery, will be the breaking up of carloads of merchandise for less than carload shipments throughout New England and through the ports of New York and Boston. Carloads of meat, dairy products and various perishable and non-perishable products will be placed in storage pending distribution in smaller lots.

Tarry Firm Changes Name

A change of the name of the firm of Tarry-Martin, Inc., operating a merchandise and household goods warehouse in Wichita Falls, Tex., to that of the Tarry Warehouse & Storage Co. has been announced by J. P. Tarry, the organization's president.

The company has purchased a new 600-cubic-foot moving van mounted on a Wichita truck chassis.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

January Is Convention Month for Industry's Major Associations

A. W. A. Will Assemble, for 37th Time, in French Lick, Ind., Jan. 9-12

THE thirty-seventh annual convention of the American Warehousemen's Association takes place this month at the French Lick Springs Hotel in French Lick, Ind. Following the signing of the roll, on the forenoon of the 9th, the first general session, for the merchandise and cold storage divisions jointly, will be called together by the general president, J. Edgar Lee, Chicago, in the afternoon.

In the forenoon of the 10th the divisions will hold separate meetings—the merchandise presided over by the divisional president, P. L. Gerhardt, New York, and the cold storage by the divisional president, Harry C. Lewis, New York. The cold storage delegates will resume their conference in the afternoon but the merchandise men will be idle.

The program for the 11th will be the same as that of the 10th except that the merchandise delegates will assemble in the afternoon and the cold storage men will not. The convention banquet will be held in the evening.

On the 12th the divisions will hold their final separate gatherings in the forenoon, and the convention will be closed in the afternoon with a joint meeting.

Major subjects to be discussed include the pending plan to assemble merchandise warehouse occupancy and tonnage statistics in cooperation with the United States Department of Commerce; a specimen tariff, as prepared during the past year by the Central Bureau Committee headed by T. E. Witters, Baltimore; methods of recouping the increased costs of small-lot deliveries; stock keeping systems; the United States Warehouse Act, and delivery routine.

One of the speakers on the program of the general session is H. A. Haring, contributing editor of *Distribution and Warehousing*, and author of the "Public Warehousing and Economic Distribution" and "New Business for Warehouses" articles which are being published in this magazine.

N. F. W. A. Will Hold Its 8th Annual Meeting in Hollywood, Fla., Jan. 19-23

HAVING by resolution adopted nearly eighteen months ago changed its annual meeting time from the summer to the winter, the National Furniture Warehousemen's Association this month holds its annual convention in January for the first time. The delegates will assemble in the Hollywood Beach Hotel, Hollywood, Fla., between Miami and Palm Beach, on the 19th and will wind up their business, with the election of officers, probably on the 23rd. Schuyler C. Blackburn, Kansas City, the president, will be in the chair. The 1928 slate as designated by the nominating committee is headed by William I. Ford, Dallas, as president. (See complete slate on page 62.)

Among the major subjects which will be discussed are an amendment to the by-laws to provide for increases in dues of members operating more than 50,000 sq. ft. of warehouse space devoted to storage of household goods; a by-laws amendment under which would be set in motion machinery for arbitration of disputes; and a plan, as prepared by the inter-city removals committee headed by Martin H. Kennelly, Chicago, for incorporating a company to engage nationally in long distance transport of household goods by motor truck.

The members' present dues are \$50 a year for companies operating 25,000 to 75,000 sq. ft. and \$75 for those operating more than 75,000. Under the proposed schedule the dues for companies operating not more than 50,000 would remain at \$50, but the following increases would become effective: more than 50,000 up to and including 100,000 sq. ft., \$75; more than 100,000 and including 150,000, \$100; more than 150,000 and including 200,000, \$125; more than 200,000, \$150.

Questions which would be subject to arbitration if this proposed by-law is enacted include "appeals from affiliated associations; competitive issues involving ethics or questions of general policy and dis-

puted transactions between members; all matters involving violations or misunderstandings of the code of ethics, rules of practice, correspondent shipping rules or other National association rules and practices."

Special trains carrying delegates will leave Chicago at 8 p. m. on the 16th and New York at 2.05 p. m. on the 17th respectively and will meet in Washington, D. C., on the evening of the 17th, where they will be joined into one train leaving Washington at 8.15 p. m., for Hollywood. En route from Washington there will be a three-hour layover at Charleston, S. C., for a motor drive about that historic city, from 9.15 a. m. to 12.30 p. m., on the 18th; and a layover of nearly seven hours in Savannah, for a motor drive and a dinner at the General Oglethorpe Hotel, on the afternoon and evening of the 18th. The train will arrive in Jacksonville at 2 a. m. on the 19th, where the delegates from the South and California will probably be picked up from the run on to Hollywood, which will be reached at 3 p. m. on the 19th.

Following the convention there will be special sight-seeing trips from Miami to Key West and by boat to Havana, Cuba, and back to Miami; and Miami to Key West and by boat to Havana and back to Tampa.

Illinois A. of W.

THE Illinois Association of Warehousemen held its annual meeting in Chicago in December and elected officers as follows:

President, Stephen C. Tooker, Jr., operating executive Tooker Storage & Forwarding Co., Chicago.

Vice-president, Sidney A. Smith, vice-president Currier-Lee Warehouse Co., Chicago.

Second vice-president, J. G. Petritz, secretary Rockford Storage Warehouses, Inc., Rockford.

Treasurer, Donald M. Macomber, vice-president Ontario Warehouse Co., Chicago.

Wilson V. Little, Chicago, who is executive secretary of the merchandise division of the American Warehousemen's Association, continues as secretary.

The directors chosen are H. D. Crooks, owner Crooks Terminal Warehouses, Chicago; Elmer Erickson, vice-president Midland Warehouse & Transfer Co., Chicago; Roy C. Griswold, president Griswold & Walker, Inc., Chicago; J. Edgar Lee, president Currier-Lee Warehouse Co., Chicago; G. M. McConnell, president Railway Terminal & Warehouse Co., Chicago; W. G. Morgan, manager Soo Terminal Warehouse, Chicago; Clarence A. Ullman, secretary Federal Warehouse Co., Peoria; and C. G. Gardner.

Connecticut

THE Connecticut Warehousemen's Association held its annual meeting on Nov. 17 and elected officers as follows:

President, Leonard S. Clark, secretary Henry G. Drinkwater's Sons, Inc., Greenwich.

1928 Slate of N. F. W. A.

THE National Furniture Warehousemen's Association's nominating committee, headed by Charles S. Morris, New York, will nominate the following executives for officers and directors for 1928, at the Hollywood, Fla., convention in January:

President, William I. Ford, president Inter-State Forwarding Co., Dallas.

Vice-president and western regional director, Raymond A. Chapin, president Portland Van & Storage Co., Inc., Portland, Ore.

Vice-president and eastern regional director, C. J. Hamilton, vice-president Security Storage & Trust Co., Baltimore.

Vice-president and southern regional director, James M. Walker, president O. K. Storage & Transfer Co., Memphis.

Vice-president and central regional director, Sidney S. David, vice-president David Fireproof Storage Warehouses, Chicago.

Secretary, Ralph J. Wood, president Lincoln Warehouse & Van Co., Chicago.

Treasurer, James F. Keenan, president Haugh & Keenan Storage & Transfer Co., Pittsburgh.

Directors, to serve three years each, Ernest H. Milligan, president Lee Brothers, Inc., New York City; Ernest T. Chadwell, secretary Heriford-Chadwell Co., Nashville, Tenn.; Schuyler C. Blackburn, president A-B-C Fireproof Warehouse Co., Kansas City, Mo.; Floyd L. Bateman, Chicago, president Trans-Continental Freight Co.

First vice-president, C. B. Gardner, partner Gardner Storage Co., New London.

Second vice-president, William H. Schaefer, president William Schaefer & Sons, Inc., Stamford. Mr. Schaefer was at one time executive secretary of the National Furniture Warehousemen's Association.

Secretary, William R. Palmer, secretary The Smedley Co., New Haven.

Treasurer, Allen F. Gabriel, assistant secretary Bridgeport Storage Warehouse Co., Bridgeport.

The directors elected are C. A. Moore, treasurer Moore's Storage Warehouse, Inc., Bridgeport; E. G. Mooney, president Hartford Despatch & Warehouse Co., Hartford; R. M. Ford, president the W. M. Terry Co., Bridgeport, the association's retiring president; Frank E. Hess, president The Ralph N. Blakeslee Co., Waterbury; and Frank W. Valentine, secretary Durham Storage Co., New Haven.

Mr. Clark, the new president, was born in Cos Cob, Conn., in 1892 and was

educated at schools in Cos Cob and Greenwich. He is president of the Rotary Club of Greenwich, president of the Greenwich Bus Lines, and a director of the Putnam Trust Co., the Greenwich Social Service League, Inc., and the Y. M. C. A. in Greenwich.

Ohio

THE annual meeting of the Ohio Warehousemen's Association will be held in Cleveland on Feb. 16.

The Ohio Association of Commercial Haulers, which includes many warehouse companies in its membership, will take place in Cleveland on Feb. 15.

Brooklyn

THE first regular meeting of the recently-organized Furniture Warehousemen's Association of Brooklyn and Long Island, following the election of officers in November, was held at the Brooklyn Chamber of Commerce on Dec. 5 with about sixty members and prospective members the guests at a turkey dinner given by the organization's president, Edward T. Jenkins. The speaker of the evening was George D. McLaughlin, formerly New York City's police commissioner and now president of the Brooklyn Trust Co. Mr. McLaughlin showed an unexpected knowledge of the household goods warehouse business and delivered an inspirational address on co-operation, maintenance of prices commensurate with good service given, and the winning of public confidence. Harry W. Wastie was toastmaster.

Mr. Jenkins in his banquet talk pointed out, in connection with the conviction of the Brooklyn and Long Island warehousemen that they were entitled to an association of their own, that Brooklyn has a population of 2,500,000 and, considered by itself, ranks second to Chicago among the cities of the country.

Ernest H. Milligan, president of the New York Furniture Warehousemen's Association, made a talk in which he wished the new organization success. He said in part:

"The New York Furniture Warehousemen's Association is in hearty accord with the idea of a supplemental organization, as we wish you to have every vehicle at your hands to improve conditions. We do not think that, in forming this supplemental organization, anyone now a member of the N. Y. F. W. A. has had the slightest idea of deserting the parent organization, which is the oldest warehousing organization in the United States and which has accomplished such wonderful work.

"It is well that our industry has grown, and we of Manhattan congratulate Brooklyn warehousemen on its growth.

"New York, as the largest city in the world, composed of five boroughs, some time ago found that its best interests were served by adopting the boroughs system so that local problems could be discussed more intimately by the resi-

dents of each borough. The warehouse industry in this great city has progressed and some of the members of the parent association feel that a somewhat similar system should be used.

"Bronx now has a thriving supplemental organization and is looking to the parent association for guidance. I expect that the Brooklyn association will do the same. I cannot help but think also that these associations being in close contact with all the warehousemen of their boroughs will bring within the fold practically all who are engaged in warehousing. Perhaps the Bronx and Brooklyn associations will be more or less as primary associations and once a month will meet with the parent association, and from all these activities, what a wealth of information should be gained by attendance!

"With this in mind I pledge the support of the N. Y. F. W. A. to the activities of these supplemental associations, and wish you success in this endeavor."

The dinner was preceded by a business meeting, a feature of which was the association's approval of the action of the board of directors in changing the constitution and by-laws so as to eliminate associate memberships among companies not located anywhere on Long Island, which includes Brooklyn. It was discovered that granting associate memberships to firms elsewhere than within the territory covered by the association was contrary to the policy of the National Furniture Warehousemen's Association, whose recognition of the Brooklyn and Long Island organization the latter will seek at the Hollywood convention of the National in January.

Long distance removals were discussed and it was decided to request Robert H. McCloskey, manager of the National's eastern inter-city removals bureau, to address an early meeting of the association. Speakers indicated that it was the desire of the Brooklyn and Long Island men to cooperate with the eastern bureau.

Mr. Jenkins announced the appointment of various committees, the chairmen of which are J. A. Dooley, membership; B. F. Lenihan, code of ethics; William Eisen, better business methods; H. W. Wastie, advisory; Rudolph C. Knipe, Jr., entertainment; James A. Perry, laws and legislation; E. T. Cassidy, advertising; R. V. Reilly, insurance.

W. W. Weekes, secretary, announced the election of four new active and three new associate members, the latter including the Judson Freight Forwarding Co., bringing the roll up to 36 active and 3 associate members, with about twenty applications pending.

—K. B. S.

N. Y. F. W. A.

THE New York Furniture Warehousemen's Association at its December meeting, held at the Aldine Club on the 12th, appropriated from its treasury the sum necessary to affiliate with the American Arbitration Association for one year. The directors will assess the

members pro rata so that the money eventually will be returned to the treasury.

By joining the American Arbitration Association the members of the warehousemen's organization will be privileged to make use of arbitration machinery and thereby avoid litigation in the courts in disputes with customers. An arbitration clause which the American Arbitration Association and the N. Y. F. W. A. will draw up jointly will be inserted in the warehousemen's contracts, and when business is done under such contracts and disputes then arise, the controversies cannot be taken into the court but, under a New York State

Sydney M. Green, Jr.



Announcement is made by E. T. Chadwell, president of the Southern Warehousemen's Association, that Mr. Green has been retained as executive secretary of the association, with his office at 120 Public Square, Nashville, Tenn. Mr. Green was formerly president of the old Southern Bonded Warehouse Corp., now the American Warehouse, Inc., Petersburg, Va.

statute, must be arbitrated, the arbitrators including citizens selected by the American Arbitration Association.

The N. Y. F. W. A. also appropriated \$2,500 to be used as a loan to the organizers of an incorporation to engage in the business of long distance removals of household goods by motor truck. The background of this movement is set down in a story beginning on page 29 of this issue of *Distribution and Warehousing*.

The Hahn Bros. Fireproof Warehouses, Inc., and the Weissberger Moving & Storage Co., Inc., were elected to membership. It was announced that the application of the Hahn firm to membership in the National Furniture Warehousemen's Association has been approved.

—K. B. S.

California

A COMPARATIVELY simple lien agreement of about a dozen lines is saving furniture transfer and storage men of the Pacific Coast thousands of dollars every month. In the past—and even yet among those members of the industry who do not use this simple remedy—furniture movers and storers have been bilked out of many a day's pay by the failure of the owner of the goods to pay in cash on the delivery of the furniture at the new address.

Checks given in such payment have come back stamped "Not Sufficient Funds," or "Payment Stopped," accordingly as the owner tried to beat the transfer man, or, developing some grievance, halted payment until the matter could be settled. Hearing many complaints of this nature, J. F. Vizzard, San Francisco, secretary-manager of the California Transfer & Storage Association, went to work to devise a remedy.

Mr. Vizzard found that the lien of a transfer or drayage company, or individual, is lost as soon as delivery is completed. Inasmuch as most of the business of today is transacted by check, and very few owners provide themselves with the cash to pay for moving when the job is completed, and, as checks are nothing more than promissory notes until they have been accepted for payment by the bank on which they are drawn, they cannot be considered as cash.

Statements printed on estimate slips or other papers given the furniture owner by the transfer man, to the effect that cash will be demanded when the goods are delivered, have been found to be of little effect. Similarly, efforts on the part of some transfer men and companies to hold part of the goods until the job has been paid for in cash, have caused a great deal of trouble for the customer and the mover alike.

Some method, therefore, had to be devised whereby the transfer man would retain a hold on the goods moved until the check given him had been paid by the bank on which it was drawn. Mr. Vizzard then prepared the following short agreement, to be signed by the householder on delivery of his or her goods, unless cash was paid for the job:

"In consideration of goods having been delivered without payment in cash in full, it is hereby understood and agreed that.....

.....shall have a lien on all goods handled under this contract, and that said lien shall persist and be in full force until the full amount due is paid; and that said lien can be enforced by taking possession of said goods at any time in such manner as.....

.....shall determine. In the event suit is brought to recover any amount due under this contract, reasonable attorney fees for commencing and prosecuting this suit shall be awarded.

(Signed)
("Owner of goods")

A number of firms in San Francisco and other coast cities have had these forms printed in pads, giving one pad to each estimator and driver. The name

of the firm using the agreement is, of course, printed in the blank spaces in the body of the contract. At a recent meeting of the central division of the Pacific Coast Furniture Warehousemen's Association one member declared that this agreement had reduced his losses from bad checks from four a month to an average of less than one. Several other members told of improved collections from the use of this form.

While there were no reports of the agreement having been carried into court, there was one of a suit threatened by a customer, who gave the transfer company a worthless check, and then tried to settle the bill, through her attorney, for 30 cents on the dollar. Presentation of this agreement, which had been signed by the owner of the goods involved, influenced her attorney to advise her to pay in full, which she did.

—H. H. Dunn.

Bronx

At the recent formal organization meeting of Bronx furniture storage executives to form a trade body to handle problems local to the territory north of 135th Street, New York City, the name Upper New York Warehousemen's Association was chosen provisionally, and officers elected as follows:

President, George Kindermann, president Julius Kindermann & Sons, Inc.

Vice-president, Fred Santini, Santini Bros., Inc.

Secretary and treasurer, John Hobson, Fordham Storage Warehouse.

The directors include Robert H. Brown, general manager Lee Brothers, Inc.; Louis Cella, president G. Santi's & Co., Inc.; Anthony Cuneo, president Cuneo Storage Co., Inc., and Charles H. Rix, president Charles H. Rix, Inc.

The terms of the officers and directors will expire April 1, and membership in the association is limited to furniture storage companies operating 5000 or more square feet of floor space. The organization had sixteen member firms at the time of its December meeting.

Pennsylvania M. T. A.

PENNSYLVANIA'S new motor vehicle law, effective Jan. 1, was explained to eighty members and guests of the Pennsylvania Motor Truck Association by Benjamin G. Eynon, registrar of the motor vehicle bureau, Pennsylvania Highway Department, at a recent meeting of the organization in Philadelphia. President Buell G. Miller presided.

Mr. Eynon's address was calculated to instruct his hearers how to keep out of trouble insofar as the new code is concerned and he sharply brought out the important new features of this Act, which, he asserted, is, in the estimation of the authorities of Harrisburg, one of the greatest examples of motor vehicle legislation ever set forth. It has the advantages of simplified codification, in that it contains only thirteen clearly defined articles, in which are incorporated most of the suggestions evolved at the Hoover conference, and it was fashioned

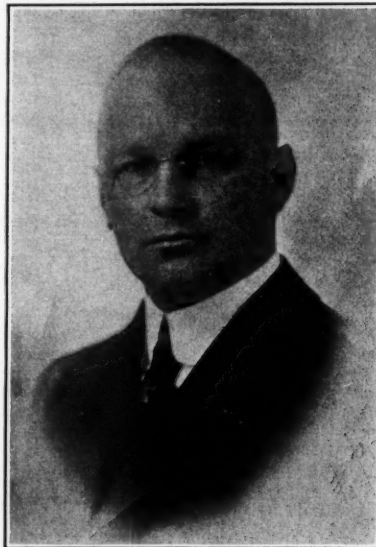
with the aid of the additional experience of the State Highway Department.

Pennsylvania, Mr. Eynon stated, was the first State to embody the Hoover conference ideas in a motor vehicle law.

It is interesting to note that the new code will be distributed to every licensed operator in primer form, with questions and answers in the text to guide the operator, instead of in the usual dry legislative form.

The title of the Act, in Article I, has been shortened to "The Vehicle Code."

George Kindermann



Elected first president of the Upper New York Warehousemen's Association.

The code contains only forty-two definitions, making the provisions much clearer than formerly. An outstanding feature in Article II, under "Certificate of Title," without which certificate it is unlawful for any resident of Pennsylvania to operate, even though the vehicles be driven on the owner's own property, is the provision for the clearance of encumbrances after the owner has paid the finance company. Where there are encumbrances, the certificate is delivered to the person holding the first encumbrance and is retained by him till the amount of the encumbrance has been fully paid by the owner. Article III, relating to defaced engine and manufacturer's serial number remains the same except that its provisions are made clearer. Article IV, covering registration requirements for trucks, buses, passenger cars and so on, compels a non-resident owner of a "foreign" vehicle operated within the State for the transportation of persons or property for compensation, either regularly on schedule, or for a consecutive period exceeding 30 days, to register the vehicle and pay the same fees as required for like vehicles owned by residents of the State;

while non-residents, including any foreign corporation, carrying on business within the State and regularly operating any motor vehicle, trailer, or semi-trailer exclusively within the State, must register the vehicle and pay the same fees as required by vehicle owners who are residents of the State.

Under the same article, in the section relating to revocation or suspension of registration, it is stated that the registration of any vehicle may be suspended if it is duly determined to be unsafe, or unfit to be operated, or is not equipped as required by law. In this regard, the State Department has worked out a definite plan covering seven or eight points as to safety, including brakes, steering gear and so on, which it is not quite ready to publish. Mr. Eynon advised that the registration card should be carried by the truck operator, signed by the owner, so that if the vehicle should be stopped, he could establish his right to operate.

Under Article VI, relating to registration plates, the speaker gave a number of useful suggestions and, regarding Article V, covering licensing of operators, their appeals and liabilities, it was explained that greater power is afforded to suspend and revoke licenses. A strict feature of this article is that no operator's license will be granted to any habitual drunkard, or drug addict. Paid truck drivers must be at least 18 years of age, as must drivers of school buses, while regular bus drivers must be at least 21 years old. Article VI, covering fees, shows no change. A new feature of Article VIII, under equipment, is that every motor vehicle having a width at any part in excess of 90 inches must carry at least one clearance lamp on the left side and display a white or a green light visible, under normal atmospheric conditions, from a distance of 500 feet to the front of the vehicle, and displaying a red light, visible under like conditions, from a distance of 500 feet from the rear of the vehicle. As to official adjusting stations for head and auxiliary driving lamps, a section of the article, it was explained, permits the issuance of such permits to garages fulfilling the requirements and to any operator or owner of ten or more trucks, who can then adjust the lamps on his own fleet. Where trouble with lights arises in transit the owner is allowed 48 hours in which to have them fixed. Under Article IX, covering size, weight and construction of vehicles, a change is made permitting height of 174 inches for double-decked buses.

Failing to yield the right of way to pedestrians at pedestrian crosswalks, except at traffic control points, will constitute a violation of the new State law, which puts the pedestrian into an Act for the first time. Motorists will no longer be allowed to shut down the motor, throw the gears into neutral and coast on a down-grade; they must not have any vulgar, or obscene plates, cards, or lettering on their vehicles. Any posters on windows must be transparent and accidents causing \$50 or more damage must be reported.

—K. H. Lansing.

Haring's Distribution No. 34: Stocks and Sales Agencies

(Concluded from page 32)

salesman has built up double his former volume with nothing to account for the increase other than "more warehouse stocks than sales agencies."

Backward producers, however, and backward distributors have "appreciably harder going." They lose in volume. Often they are unable to account for the loss.

There is no great mystery about attaining quick deliveries such as are demanded by the new competition. There is nothing to learn that is complicated.

If the product is one—and what one is not?—for which small-lot buying has developed, the problem is to ascertain that fact, then to determine the size of lot that will be bought by dealers, then to perfect an arrangement to give 24-hour service or better to those dealers. The problem is big, but, after all, it is merely a multiplication of little local problems. Intensive work on a small area can be organized and that zone covered with enough stocks to do the job of quick delivering. Merchandising effort should be concentrated until the zone is producing its maximum for the product; then the next section taken up and similarly treated.

In a business way this country is a group of markets, each thoroughly local. When a product has developed its quota for each of the 70 major markets it has attained national distribution. The finest support for the salesman as he goes about selling is a stock of the goods close at hand upon which he may draw and which he can talk up to dealers.

As this occurs, salesmen will attempt to cover smaller routes. They will have greater concentration of dealer-customers they will work more economically of their time and their expense money; they will sell more goods.

In New York City some manufacturers, as typewriter makers, will assign to a salesman a territory as small as two city blocks. Within this zone the man will work year after year, earning more for himself and selling more for his company than if he were working ten times the area. No prospect has a chance to escape. Similarly, the manufacturer who maintains spot stocks closely located over the country will allow no prospect to escape.

But to do this, his salesmen must work always with "their backs to the warehouse stock" knowing that deliveries will be so prompt that no explaining will be needed.

If the dealer's clerk says to a customer: "We haven't that, but we'll order it for you" the customer goes elsewhere. What he wants he wants today. If, however, the clerk can take the order although he knows the article is not on hand but yet knowing that it can be procured in time for the day's regular city delivery, nothing is said to the customer to chase him to another dealer. The clerk books the order, the goods are obtained in a few hours; everybody is

satisfied—and chiefly the manufacturer.

In order to give support of this kind to a product, spot stocks must be generous in number. They must be located with reference to reaching all outlets quickly, and with little regard for convenience of the sales agency. They are quite likely to outnumber the sales agencies, and, further, the locations for spot stocks are apt to shift as demand ebbs and flows, whereas the sales agency remains fixed in some central city.

Handlan Firm Changes Hands

R. D. Teasdale, heretofore manager and operating executive of the Handlan Warehouse Co., operating a merchandise storage business in St. Louis, has acquired control of the business following the retirement of E. W. Handlan as president.

(The foregoing information was received too late for a change to be made in the starred listing of the Handlan company in the St. Louis section of the 1928 Warehouse Directory published as part of this issue of *Distribution and Warehousing*.)

Moving as Portrayed on New York Stage

THE humors and agonies of household moving are set forth on the stage in "Storm Center," a three-act comedy which opened at the Klaw Theatre in New York on Nov. 30. In the beginning it was called "Let's Move" but the name was changed. The authors are Jessie Hein Ernst and Max Simon. Regarding this production the New York Times reviewer said:

"It does not aim to do much more than to record the packing up of a New York household and its transportation to a Long Island development. The authors have put in drunken moving men and a comic servant, skinflint uncles, rapid-fire real estate deals and the various other appurtenances of old-fashioned farce."

Winkler Company Expands

John Winkler's Sons, Inc., Far Rockaway, N. Y., is completing a new warehouse, 50 by 100 feet, four stories and basement, of steel and brick, which will house a complete service station for the firm's trucks and will have storage facilities for new cars and dead storage of automobiles. An elevator is to be installed that will be able to lift the largest vans.

The new unit will be one of the largest buildings in the industry devoted to its particular purpose.

Information on Moths

"Profits in Killing Moths" is the subject of a 12-page booklet recently issued by the Haskelite Manufacturing Corp., 133 W. Washington Street, Chicago.

Tablet to Bush Marks 25th Year of Terminal Operation

IRVING T. BUSH, founder and president of the Bush Terminal Co., New York, received a bronze tablet from his employees on Dec. 10 on the occasion of the twenty-fifth anniversary of his establishment of the terminal. More than 1000 men and women assembled at the Longshoremen's Building at the foot of 43d Street, Brooklyn, for the ceremonies. After Ainley W. Jones, Mr. Bush's secretary for thirty years, had unveiled the tablet on the north side of the structure Mr. Bush spoke briefly, thanking his employees for the gift and praising their services.

"No one man could have built the Bush Terminal," he said. "It is the work of all of you and some who are not here today. You have created a spirit of service in this plant which gives honest value for what it took. I made mistakes often and sometimes I wonder at your patience with them. I do not hope to escape future mistakes, but I do hope for a spirit that will enable me to put mistakes behind me and carry on. That has been your spirit. When you pass this tablet do not think of it as a tribute to me. Think of it as a token of your pledge and mine to give the world something worthy of our opportunity."

Service medals were distributed by Mr. Bush—silver for five years of service to 264 employees, including 20 women, and gold medals for ten years' service to 330 workers, including 8 women.

The tablet was executed by René Chambellan. One panel shows an airplane and steamship bringing commodities from eighty-eight ports to the terminal, which dominates the center panel; the railroad and truck appear in the right panel, completing the idea of a big distribution district. The tablet is inscribed to Mr. Bush from his business associates in recognition of his transformation of waste land into an industrial instrument.

Col. P. L. Gerhardt, vice-president of the company and president of the merchandise division of the American Warehousemen's Association, arranged a parade of conveyances used in terminal operation. The old-fashioned hand truck was first, followed in order by the mule and dock trailer; the electric tractor that replaced the mule; the improved trailer, gasoline tractor and similar equipment.

A quarter of a century ago the terminal property was waste land on the Brooklyn shore. The property was then assessed at \$3,450,000. In 1927 it was assessed at \$36,350,000. The terminal's net earnings for 1926 were \$2,000,000. It has 130 large warehouses and 30,000 workers are employed by tenants in its buildings. The terminal consists of more than 200 acres and is the largest single coordination of maritime, commercial and industrial transportation facilities. In the next ten years the company plans to spend almost \$20,000,000 for additional buildings and equipment.

Hoover's 1927 Report Notes Increase in Truck Transport

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building.

SECRETARY OF COMMERCE HERBERT HOOVER devotes several pages of his annual report to Congress, released in December, to discussing the large increase in volume of railroad freight traffic during the past two years as compared with 1924 and 1925, and to the rapid increase in motor trucks, which, he says, reflects to large degree the rapidly changing conditions of modern transportation methods.

Touching on these two subjects Secretary Hoover says:

"Motor Transport: The rapid increase in the use of motor trucks and motor busses in conjunction with older forms of transport has been remarkable, and this increase reflects to a large degree the rapidly changing conditions in modern methods of transportation.

"Seventy-two railroads now use trucks to supplement regular shipping service—46 in terminal operation, 15 in the form of store-door delivery, and 11 to replace local freight trains. On Jan. 1, 1927, railways had more than 225 trucks operating, the route mileage being 4226. Competing services had 43,207 trucks covering 607,029 route-miles. Registration of all trucks in the United States was 2,764,222, compared with 2,432,017 the previous year.

"Sixty steam railroads have 1253 busses in operation, covering 11,440 route-miles, while there are 19,099 busses operated in competition with railroads, the route mileage being 334,522. Electric railroads in 1927 were using 7284 busses, compared with 5150 the previous year. Common-carrier bus-route mileage increased from 232,340 in 1926 to 270,068 miles this year. The total number of busses in operation increased from 69,425 to 80,040 during the year.

"Railroads: During the last two fiscal years a conspicuous increase has occurred in the volume of railroad freight traffic, even as compared with the high figures for the fiscal years 1924 and 1925. The ton-mileage of freight in 1925-26 was about 8 per cent greater than the year before, and 1926-27 showed a further increase of about 5½ per cent. This gain in traffic was accomplished with an insignificant addition to the number of employees, a fact indicating the continued advance in the efficiency of the railways which has been going on since the close of the war. The increase in the volume of freight traffic has, in the absence of any significant changes in freight rates, served to add to the operating revenues of the railways and to increase their net operating income. Total operating revenues in 1926-27 exceeded the record figures of the preceding year by nearly 2 per cent, and there was a slight increase also in net operating income, which was thus the highest ever reported.

"The increased prosperity of the railways in the last few years has gone hand

in hand with steady improvement in the services rendered to the public. The chronic car shortages of former years have been overcome. The proportion of rolling equipment in bad order, both cars and locomotives, has been greatly cut down; in this respect the fiscal year 1926-27 marked the most satisfactory situation reported for many years. The tonnage per train has been increased; the average train in 1926-27 carried 786 tons of freight as compared with 656 in 1922. More important still from the standpoint of the general public welfare, delays in the movement of traffic have been greatly reduced. The expedition of railway service has reacted favorably upon the entire economic structure. It is estimated that the rapidity of freight transportation is now from 30 to 40 per cent greater than at the close of the war."

Mr. Hoover's report contains a statistical summary by W. M. Steuart, Director of the Census, showing that during 1926 the railroads carried revenue freight 3820 ton-miles per capita compared with 3497 in 1919; carried 134 pounds of fresh fruit per capita in 1926, compared with 125 pounds per capita in 1919; carried 48 pounds of fresh vegetables per capita in 1926, compared with 1919; and carried 8.4 tons of new furniture in 1926, as against 7.0 tons in 1919.

—G. H. M.

Columbus Company to Build

The Edwards Transfer & Storage Co., Columbus, Ohio, has employed architects to prepare plans for a six-story warehouse to be erected at West Maple and West Streets, in 1928. The cost will be about \$200,000. The building will be fireproof, of reinforced concrete, and will have approximately 180,000 square feet of floor space, which will be used for merchandise and household goods storage.

Warehousemen's Legal Right in re Similar Trade Names

(Concluded from page 36)

Beware of Blind Advertising

IT has been quite popular in recent years for firms to spend considerable money in advertising a slogan, word or other symbol and not include the name of the advertiser until the public interest and curiosity has been aroused.

Not long ago a firm extensively advertised the slogan "Who is Waukerest?" intending to announce the firm name at a later date.

After the curiosity of the public was worked to a high pitch, a competitor had printed advertisements claiming he was Waukerest. The original advertiser sued the fraudulent advertiser, but the Court held that no liability existed, because there is no unfair competition where the name of an advertiser is not associated with the mark, symbol, or slogan that is copied and appropriated.

Death Removes T. F. King, Chattanooga Warehouseman

THEODORE F. KING, president and general manager of the Chattanooga Warehouse & Cold Storage Co., Chattanooga, Tenn., and who was a former State Controller of Tennessee, died suddenly on Nov. 21 at his home in Edgewood Circle, Riverview. He had been in poor health for some time but during the week prior to his passing he attended to his usual business and social engagements and apparently was well when he attended church the day before his death.

Born in Bartlett, Tenn., 62 years ago, Mr. King went to Chattanooga about twenty-three years ago and assisted in the organizing of the Volunteer State Life Insurance Co. In 1912 he established the warehouse business, serving first as an officer and later being in active control until his death. For many years he was active in local, county and State politics and was State controller for three terms, beginning 1900. He was at one time chairman of the Hamilton County election commission.

Mr. King was a firm believer in the value of trade association activities. He was a member of both the merchandise and cold storage divisions of the American Warehousemen's Association, at various times serving on committees; of the Southern Warehousemen's Association, and of the American Chain of Warehouses.

He was interested in the welfare of his church, the First Presbyterian, and at the time of his death was a member of its board of deacons, a position he had long held.

Mr. King is survived by his wife, Maria Lou Stainback King; two sons, Edward F. King, of Los Angeles, and Theodore F. King, Jr., who was chief engineer of the warehouse company's cold storage department; and a brother, Edward King.

Pall bearers at the funeral services included W. A. Sadd, treasurer of the warehouse firm; F. W. Lupton, the company's secretary; and Fred A. Bryan, president of the Chattanooga Transfer & Storage Co.

Hulse Co. Expands

The J. R. Hulse Transfer & Storage Co., Kansas City, Mo., has completed a two-story addition to its building at 1912 E. 15th Street, giving the structure the capacity of five floors. The addition contains a heated piano room, moth-proofing facilities and a room where customers may display furniture for sale.

Research in New England

"Better Business Through Research in New England Industry" is the subject of a 29-page pamphlet recently issued by the Policyholders Service Bureau of the Metropolitan Life Insurance Co., New York, after being prepared for the research committee of the New England Council.

Warehouse Handling Freight Is Shipper Under I. C. C. Act

Distribution and Warehousing's
Washington Bureau
1163 National Press Building

A MERCHANDISE warehouseman handling freight for others becomes a shipper within the meaning of the interstate commerce Act, it is found by Examiner Bronson Jewell of the Interstate Commerce Commission in recommending to the Commission that it reverse its earlier decision which went against the McCormick Warehouse Co., Baltimore.

The commission was in error when it dismissed the complaint of the McCormick Warehouse Co. on the ground that the company is not a shipper and is not entitled to file a complaint under the interstate commerce Act, in the opinion of Examiner Jewell. He also concludes that the Pennsylvania Railroad is guilty of unjust discrimination and undue prejudice in making an allowance to the Terminal Warehouse Company of Baltimore City for handling freight and in refusing to make a similar allowance to the McCormick Warehouse Company.

Should the commission, following oral argument, concur in the findings of the examiner and reverse its former decision, it will be a victory for warehousemen who desire to bring complaints as shippers.

The railroads serving Baltimore provide that package carload freight received or delivered at certain designated stations in the Baltimore switching district will be loaded or unloaded by the railroads without extra charge. Each of the railroads has a contract with a warehouse to do this loading and unloading and certain other services such as notifying consignees of freight arrival, issuing receipts for freight, and collecting charges, for an allowance of 35 cents per ton. The McCormick warehouse is situated on a belt line, the switching charges of which are absorbed by the line-haul railroads, but all the roads refused to enter similar contracts with the McCormick company.

In the original report in the case the commission held the practice of two railroads in employing certain warehouses to perform part of its advertised services and in refusing to employ others did not violate any part of the interstate commerce Act, but since the railroads did not give refunds to shippers who loaded or unloaded their own carload package freight at the designated stations the commission warned that discrimination would result if the railroads made the 35 cents per ton allowance on shipments billed with the warehouse company as the consignee.

On the petition of the McCormick Warehouse Co. the commission reopened the case for further hearing and permitted amendments to the complaint dropping other railroads as defendants except the Pennsylvania. The Terminal Warehouse Company of Baltimore City, with which the Pennsylvania has its contract in question, intervened as a defendant.

At the rehearing it was shown that the Pennsylvania amended its tariffs to exclude from the allowance any shipments billed directly to the Terminal company, and customers of the Terminal company were notified to word their bills of lading in such manner that the Terminal company was not the consignee but that the goods were shipped to another party in care of the warehouse company. Examiner Jewell concludes that in spite of this the warehouse company is in fact the consignee, and he says:

"In the case of many of the shipments unloaded at the Terminal warehouses, the Terminal company is, to use the definition of the bills of lading Act, the only 'person to whom delivery of the goods' could be made, as a carload shipment. The real owners of these goods are generally out-of-town concerns, who rely on the terminal company to accept delivery of the goods for them and distribute them in less-than-carload lots. Even in those instances where the real owner is in Baltimore, delivery to him is made in small lots as his needs require. The Terminal company is the only party having direct relation with the railroad in the transportation of the goods as carload shipments, and the same is true of outbound shipments where in most instances it acts as a forwarder. This is part of the service which it supplies as a merchandise warehouseman.

"In the St. Louis Terminal case the Commission said in reference apparently to situations of this character: 'But when a warehouseman acts as consignee or consignor he becomes a shipper and has all the rights of a shipper under the Act. He stands, in fact, in the shoes of a shipper and may make any complaint either of rates or practices that his principal, the real shipper, might himself make.'

"By the addition of the provision to its tariff expressly denying allowances on shipments consigned to or by the Terminal Warehouse Company, defendant has shown that it acquiesced in the opinion expressed in the Commission's original decision, that as regarded such shipments, the Terminal Warehouse Company was not entitled to preferential treatment in the matter of allowances. The evidence upon further hearing makes it indisputably clear that shipments so consigned are in reality handled exactly the same and the interests of the parties are exactly the same as in the case of shipments where the name of the concern is inserted as consignee, in 'care of' the Terminal company. As previously remarked, following the Commission's decision, customers of the Terminal company who had formerly shown the Terminal company as consignee on their bills of lading were notified to make the change in their billing mentioned. There has been no other change in the relationship of the parties, yet the railroad and the Terminal company insist upon the legality of the allowance under the altered form of billing at the same time that they concede allowances should not be paid on certain shipments where

Horse Feeding Is Discussed in New Government Bulletin

A SUITABLE ration for horses meets the requirements of nutrition, economy, and convenience, says the United States Department of Agriculture in a revised edition of Farmers' Bulletin 1030-F, "Feeding Horses," recently published. A statement says: "Combinations of home grown or locally raised crops as a rule constitute the most economical rations. It is a good plan to observe the results in feeding a ration and modify it according to age, size, and condition of the horse. Slight changes in feeds are occasionally advisable but should be made gradually to avoid digestive disturbances.

"The computation of rations is not difficult, according to the authors of the publication, and a little time spent on calculations enables the feeder to provide from available feeds a ration approximately supplying the requisite amounts of protein and carbohydrates. Data on rations, it is pointed out, will afford valuable aid to the feeder. It is far more economical to feed the required amounts of nutrients in the right proportion than to provide an excess of one and a deficiency of another.

"The benefits derived from grinding or crushing oats and corn for horses depend on the cost of preparation, working conditions, and state of the animals' teeth. Ordinarily it is not profitable to cook, steam, or soak feeds for horses. When the small, hard grains can not be rolled or crushed, however, it is advisable to soak them.

"Farmers' Bulletin 1030-F contains much additional information concerning the selection and computation of rations, the preparation of feeds, conditions affecting feed requirements, and numerous suggestions relative to feeding horses. A copy of the bulletin may be obtained free upon application to the Department of Agriculture, Washington, D. C."

the consignors had neglected to make the suggested change.

"It is inconceivable that the true status of the parties to the transportation contract, or the obligations of defendant as a common carrier, could depend merely upon the exact form of the entries of the billing. The decisions are too numerous to cite in which the Supreme Court has held that the billing is not controlling and that it would look beyond into the substance of the matter or transaction.

"Upon the present record the conclusion must be reached, then, that the Terminal Warehouse Company and the McCormick Warehouse Company, to or from whose respective warehouses traffic is handled in substantially the same manner, are shippers or receivers of freight; and that the lawfulness of the arrangement under which allowances are made to the former company for terminal services on such shipments is a

(Concluded on page 80)

Hahn Brothers Purchase Branch of Chelsea Company, New York, and Operate It as Their Own Firm Beginning January 1



William F. Hahn

WILLIAM F. HAHN and Fred J. Hahn have purchased the Harlem or 107th Street branch of the Chelsea Fireproof Storage Warehouses, Inc., New York City, and are operating it, beginning Jan. 1, 1928, as an incorporation known as the Hahn Bros. Fireproof Warehouses, Inc. William F. Hahn is

president of the new firm and Fred J. Hahn is secretary, treasurer and operating executive.

The Hahn brothers purchased on Dec. 1 the entire business and property of the Chelsea's Harlem branch. There are three household goods depositories—at 108-112 West 107th Street, 114-115 West



Fred J. Hahn

107th Street and 118-120 West 107th Street. The buildings contain approximately 100,000 square feet of floor space. They are of steel and concrete and are fireproof. The new firm will continue the services which the branch had offered—distribution of household goods and merchandise pool cars, city and interurban delivery of merchandise, transferring of household goods, etc. An entire new fleet of vans, pneumatic equipment, will be purchased.

The new Hahn company was admitted to membership in the New York Furniture Warehousemen's Association on Dec. 12, and the New York association has approved the firm's application for membership in the National Furniture Warehousemen's Association. William F. Hahn was at one time treasurer of the New York association.

William F. Hahn was secretary and treasurer and Fred J. Hahn was operating executive of the Chelsea company, from which they have withdrawn.

Louis Schramm, president of the Chelsea company, has announced the appointment of his son, Louis Schramm, Jr., as secretary and treasurer to succeed William F. Hahn.

The Chelsea company was established in 1893 and operates household goods warehouses at 426-434 West 26th Street, together with a branch in Mount Vernon, N. Y.

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INTERNATIONAL TRUCKS

Stand Out In Any Comparison — Stand Up On Any Job!

MAKE your own comparisons.

Compare an International Truck, part for part, design and construction, with any other truck and form your own opinion. The more you know about truck construction the more you'll think of the International Truck. And the closer you watch your costs the more their low-cost per ton-mile will please you.

Special International engineering features make this truck a mechanical masterpiece. More than that—they give it the stamina to stand up on any job. Engine, frame, springs, clutch, transmission, brakes, chain or gear drive—every mechanical unit is built with a liberal factor of safety.

The International Heavy-Duty line ranges in capacity from 2½-ton up, and practically any requirement can be met with a chain-drive or double-reduction drive—whichever meets the owner's requirements best.

Make it a point to look them over.

The International line includes the Special Delivery for loads up to ¾-ton; 4 and 6-cylinder Speed Trucks of 1¼, 1½ and 2-ton sizes; Heavy-Duty Trucks ranging from 2½ to 5-ton sizes; Motor Coaches; and McCormick-Deering Industrial Tractors.

INTERNATIONAL HARVESTER COMPANY

of America
606 So. Michigan Ave. (Incorporated) Chicago, Ill.
136 Company Owned Branches in the United States



CADILLAC STORAGE & TRANSFER COMPANY

807 WOOD STREET



CADILLAC, MICH.

June 15, 1926.

International Harvester Company of America,
Grand Rapids,
Mich.

Gentlemen:

In November 1922 we purchased of you one Model S one-ton truck. Since that time we have kept this truck in active service every month of the year. We have used it hauling furniture all over the State and have put it to many grueling tests. Many times we have bucked snow banks up to the radiator and in spite of misusage we have to date spent less than one hundred dollars for parts.

We were so well pleased with this truck that in December 1925, we purchased another International a Model 63, on which we mounted a seven hundred cubic foot van body. We put this truck in service in February 1926 and all through the spring moving when roads were almost impassable, this truck was working every day, making trips from two to five hundred miles. Up to date we have had no repair expense whatever, although since the roads became better we have driven this truck as far as Detroit and back, a distance of four hundred and fifty miles in two days, which we consider very satisfactory.

In the future we expect to use Internationals entirely to take care of Our Hauling Problems.

Yours truly,

Cadillac Storage & Transfer Co.

Chas. J. Toth
Mgr.



Read the
interesting
letter above,
telling
about
these two
trucks.

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Old Family Album Unfolds Career of Gerald FitzGerald

(Concluded from page 38)

official. From there he was transferred to the electric railway department and made assistant to the president at Los Angeles, the Pacific Electric Railway being the largest interurban electric system in the world.

Mr. FitzGerald is not a veteran warehouseman. Besides being young in years, he also is young in the industry, having been in the business only seven years. He was, however, the first president of the California Warehousemen's Association, when it was organized in 1922, though he had only been interested in the industry about two years at that time.

From the railroad offices Mr. FitzGerald went to the Los Angeles Union Terminal Co. as vice-president and general manager. He still is vice-president. As an executive of the Los Angeles Union Terminal Co. he had active charge of the construction of an \$8,000,000 plant known as the Wholesale Terminal and comprising a large group of warehouses in the wholesale produce district of the city. Two of these buildings, at 731 Terminal Street, were occupied by the Union Terminal Warehouse Co., and in this concern Mr. FitzGerald bought a half interest as soon as he had finished construction work on the plant. This was the result of a long-cherished desire to go into business for himself—an enterprise not difficult of achievement, as he already had won unlimited credit and the confidence of the city's banking establishments on account of his connection with the Los Angeles Union Terminal Co. and his handling of their affairs.

Buys in San Francisco

One year from the time he entered the business Mr. FitzGerald bought the other half and became the sole owner. Finding the industry to his liking, he then bought the Associated Terminals Co., in San Francisco and Sacramento. In 1925 he acquired the controlling interest in the De Pue Warehouse Co., operating thirty-three warehouses in the Sacramento Valley and San Francisco. In 1926 he bought the Banning Stevedoring Co., at Los Angeles Harbor and San Diego. He owns also the Railway Terminal post office structure in Los Angeles, having erected the building and rented it to the Government on a twenty-year lease.

On the stage, under the direction of a Belasco, the story of this magnetic young executive would be a sort of masculine edition of the good old Cinderella theme filled with the clash of strong wills, a fine young man's struggles against great odds and a smashing climax along toward the end of the third act. Spread over the years that go to make up half of a lifetime, it sounds more like a staid recital of hard work, perseverance and ingenuity. But who can say that it is less inspiring and dramatic for all of that?

Farrand a Traffic Manager

T. C. Farrand has been appointed freight traffic manager of the Pacific-Southwest Warehouse Co., Inc., Los Angeles. He has had long experience in traffic work. He formerly represented the State of Oregon in export and import activities in Central and South American countries.

New Chicago Company

The Produce Terminal Cold Storage Co. has been incorporated in Chicago to operate and manage cold storage warehouses and engage in the general storage and warehousing business. The incorporators are Frank E. Roth, Timothy F. Mullen and Edwin J. Ward.

Household Goods Moved by Air

A WORLD'S record for speed in long distance moving of household effects, says a recent Associated Press dispatch from Hartford, Conn., was undoubtedly established by John A. Collings when he moved all his furniture from Detroit to Hartford in the giant tri-motored air truck which he pilots for a typewriter company. The story adds:

"On his return from a trip through the Middle West, where he delivered typewriters by plane and parachute, his regular occupation, he stopped off in Detroit, loaded the furniture into his plane and brought it to Brainerd Field, whence a waiting motor truck whisked it to his new home here."

Houston Merger

Consolidation has been effected between the Houston Warehouse Co. and the Central Warehouse & Forwarding Co., both in Houston, Tex., and the business is now known as and conducted by the Houston Central Warehouse Co., Inc.

The new firm has leased and is operating a new eight-story modern fireproof warehouse in the wholesale center—at San Jacinto Street and Commerce Avenue. Along the ship channel the company has more than 150 feet of frontage with facilities for loading freight to and from barges. Railroad spurs from eighteen trunk lines serve the plant.

Japanese Executive Tours

Y. Hayashi, business manager of the Shibusawa Warehouse Co., Ltd., of Tokio, Japan, spent December inspecting merchandise, household goods and cold storage warehouses in American cities from the Atlantic to the Pacific. He visited plants in Boston, New York, Philadelphia, Baltimore, New Orleans, Chicago, Los Angeles and San Francisco.

Warehousing in Relation to Our Inland Waterways

(Concluded from page 45)

people. A coordinated and balanced water-borne trade between producer and consumer via distributing warehouses, properly financed, holds untold advantages to cities and towns located on or near the system.

Every one of the inland settlements on these streams has opportunities in the future that never existed before the deeper waterways were planned or developed. It won't be long before you have a completely connected system, and even though that system is now only under construction I notice that the commerce since 1922 has more than tripled and since 1924 has almost doubled on the Ohio River alone.

Transportation facilities breed traffic. Traffic carried at minimum rates of transport permits competition in manufacturing, stimulates production and consumption, and is one of the basic factors in heightening the standard of living and maintaining the high measure of efficiency of our nation.

The benefit we get from studying the effects of water transportation in other countries will aid us, but even without giving consideration to this experience of older nations we cannot fail but draw the inference from our present situation that economic good and prosperity will continue to come from the use of every available economical transportation facility at our disposal.

I want to point out now that the proper use of the merchandise warehouse as a medium of transportation is one of the most important links in our process of distribution which must be studied scientifically. Much improvement may be made in the distribution of goods. Elimination of waste is one of the principal items.

In addition to the elimination of waste that comes by supplying cheap and good low cost transport, I want to emphasize here—as the time is fast approaching when waterways will be a complete and unified system—this important link in all forms of transportation: the merchandise warehouse, which may be of considerable assistance in furthering the campaign for the elimination of waste in distribution.

Los Angeles Firm Expands

The Williams Transfer Co., Los Angeles, has taken a term lease on the brick building at 645 So. San Pedro Street, the structure containing 8000 square feet of floor space, to accommodate increasing business.

New Miami Firm

The General Warehouse Corp. has been incorporated in Miami, Fla., to deal in renting and building warehouses. Capital, 100 shares of stock, no par value. The incorporators are O. T. Houston, H. K. Gibson, Albert Weber and P. R. G. Sjostrom.



An INDIANA Motor Truck by its dependable performance enables You to handle more business — by its Economy builds Greater Profits — by its fine appearance advertises Your Business ☞ ☞ ☞

LETTERS from moving and transfer companies, and warehousemen, tell us these things are proven facts.

They tell of INDIANAS which have given dependable service day after day for six, seven, eight years and more. They speak of remarkably low ton mile operating costs. They comment on the invaluable asset

of INDIANA'S unequalled performance.

You can buy INDIANA Trucks complete — with fine, sturdy custom bodies — or chassis alone, in 4 and 6 cylinder models, 1 to 7 ton capacities. Their prices establish new standards of motor truck value.

Write for literature and name of our nearest branch, distributor or dealer. When may we arrange a demonstration for you?

INDIANA TRUCK CORPORATION

901 Indiana Park

Marion, Indiana

Proved by Performance

INDIANA TRUCKS

OUR 19th YEAR

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Life of F. L. Bateman Is Told in Old Family Album Sketch

(Conclude from page 39)

office of a freight company. He has never been out of work since.

In those days waybills were made on a big old-fashioned hand-operated press and each copy had ten tissue paper duplicates. Young Bateman's daily task was to separate these yellow tissue copies.

From the billing desk Mr. Bateman was placed in charge of freight claims, and three years later found him general accountant for the New York Central.

Twenty-eight years ago many future captains of the warehouse industry were driving wagons and feeding their own horses. There also was a boom on in California and a great many families were moving thither with their lures and penates. From his office in the freight company Mr. Bateman observed the trend of things, devoting a great deal of time to studying the conditions under which these removals were taking place. The logical sequence was to develop a medium through which that class of traveler with his household goods could best be handled. In 1900 he gave up his hard earned position with the railroad company to pioneer in the warehouse business—taking a chance on an industry that was then quite undeveloped.

There were many discouragements at first. The original plant was a rented building, 30 by 100 feet, at Sixteenth and Jefferson Streets. The concern dealt in the shipping of freight exclusively, the object being to capitalize the waste in distribution by eliminating expensive processes, thus giving shippers an economical means of transportation. They worked, of course, with the furniture warehousemen, who delivered goods directly to them.

That the Trans-Continental Freight Co. now ships goods to Norway, New Zealand, Timbuctoo, and that it now has representatives in nearly every country of any importance in the world, bear witness to the success of the enterprise. The company and its allied interests have 3000 employees scattered all over the United States, and their shipping interests operate all around the world.

Mr. Bateman's civic and philanthropic activities embrace a large scope. He is a former vice-president of the Chicago Chamber of Commerce. He is a member of various charitable organizations. He has served as president and vice-president of the Illinois Furniture Warehousemen's Association; as president, for two successive terms, of the National Furniture Warehousemen's Association; as a director of the American Warehousemen's Association; and as president of the Chicago Traffic Club.

His personal hobbies and interests also are many. His present ambitions are to live in the country, ride horseback, and to be a better golf player than Frank H. Hebbard, Ralph J. Wood or Martin H. Kennelly, with whom he frequently matches his skill. His town house is on the North Shore of Lake Michigan but

he also maintains one of the largest farms around Chicago. This is at Barrington, Ill., where he is at present building a home. Here Mr. Bateman and his wife, two sons and a daughter spend as much time as possible with their horses and police dogs. Also on the Bateman farm is to be found the largest herd of Black Scotch cattle in the State.

The office from which Mr. Bateman directs the reins of his 'round-the-world freight service is a marvel of artistry that no doubt reflects the individuality of the genial, pleasant person who is its occupant. Directly in the heart of Chicago's busy Loop district, it has the calm of a dignified drawing room. There are paintings on the walls—a few, and wisely chosen. The subdued lights fall indirectly on a huge desk that seems to have nothing on it but a fascinating pewter lamp and the photograph of a beautiful woman with an aristocratic canine by her side. There is a large "round table" encircled by leather chairs for business conferences but it, too, is free from the litter and confusion of letters and papers. On a mantle above the fireplace at one end of the room is a Spanish galleon—a proud antique brought home from a recent cruise in the Mediterranean. This has been surreptitiously wired with modern electricity so that by pressing a button one may have the illusion of seeing a ship in the distance with beacons burning and sails spread to the winds.

Mr. Bateman has traveled extensively. Not long ago he spent some six months in the Philippine Islands and the Orient, during which time he rode sixty miles into the interior of China in a sedan chair—a far cry from the chair he occupied in a Chicago waiting room from 10 to 4 while trying to collect \$50 with which to meet his struggling payroll.

New Los Angeles Project

The Wilshire district of Los Angeles is to have an \$800,000 Class A reinforced concrete limit-height structure—a 13-story skyscraper—to be known as the American Storage Building, to stand on Beverly Boulevard near Westmoreland Avenue, according to plans announced by James E. Bowen, president of the Cosmopolitan Realty & Building Corp., Los Angeles. Architecture will be of the setback type familiar to New York's more recent skyscrapers. One hundred by 170 feet at the ground, it will have a 10-foot setback at the second story, an 8-foot setback at the sixth floor and a 12-foot setback at the twelfth story. The building will be used for storage of household goods, automobiles, etc., it is stated.

Davies Starts Sales Department

The Davies Warehouse Co., Los Angeles, has established a department of sales for merchants and manufacturers and has appointed C. S. Southworth as the head of the department. Mr. Southworth was formerly manager and operating executive of the Progress Warehouse Co., Los Angeles.

W. J. Hogan Plans \$2,000,000 Terminal in East Chicago

WILLIAM J. HOGAN, president of the National Terminals Corporation, operating warehouse properties in Chicago, Cleveland, Indianapolis and Philadelphia, announced in Indianapolis on Dec. 2 some of the details regarding the development, in 1928, of a \$2,000,000 warehouse, dock and terminal property, which it is declared will be one of the most modern in the country, along the Indiana Harbor Canal in the Calumet district, East Chicago, Ind.

Construction is to be by the East Chicago Dock Terminal Co., of which Mr. Hogan is president and which is a subsidiary of the National Terminals Corporation. The subsidiary recently purchased in the Chicago switching district, sixteen acres fronting the canal for 1,500 feet, and contemplates purchasing seventy-seven more acres, increasing the frontage to 3,000 feet, after the first block has been developed.

It is stated that arrangements have been made for the accommodations of boats of any size plying the Great Lakes and also for connections with twenty-two railroads.

The plant will be known as the Interstate Terminal Warehouses, Inc., to be a subsidiary of the company of the same name operated in Cleveland by the National Terminals Corporation.

Youngstown Plant Opens

The new Youngstown-Erie Terminal Warehouse Co., Youngstown, Ohio, has opened its plant for business. The largest structure in the city, it occupies 420 feet by 80 feet along the Erie Railroad tracks between North and Belmont Avenues and is served by the Erie and Pittsburgh & Lake Erie roads, which occupy the main floor, part of the second story and the basement as a joint freight station. The Erie will occupy 34,500 additional square feet. Two floors are operated as a public storage business and are already being used by shippers distributing nationally.

The building contains 153,000 square feet of floor space, and part of this has been leased to drug, grocery, transfer and other companies on long term contracts.

The tracks and loading platforms accommodate 43 freight cars at one time, and this section will handle 80 cars after grade elimination has been completed.

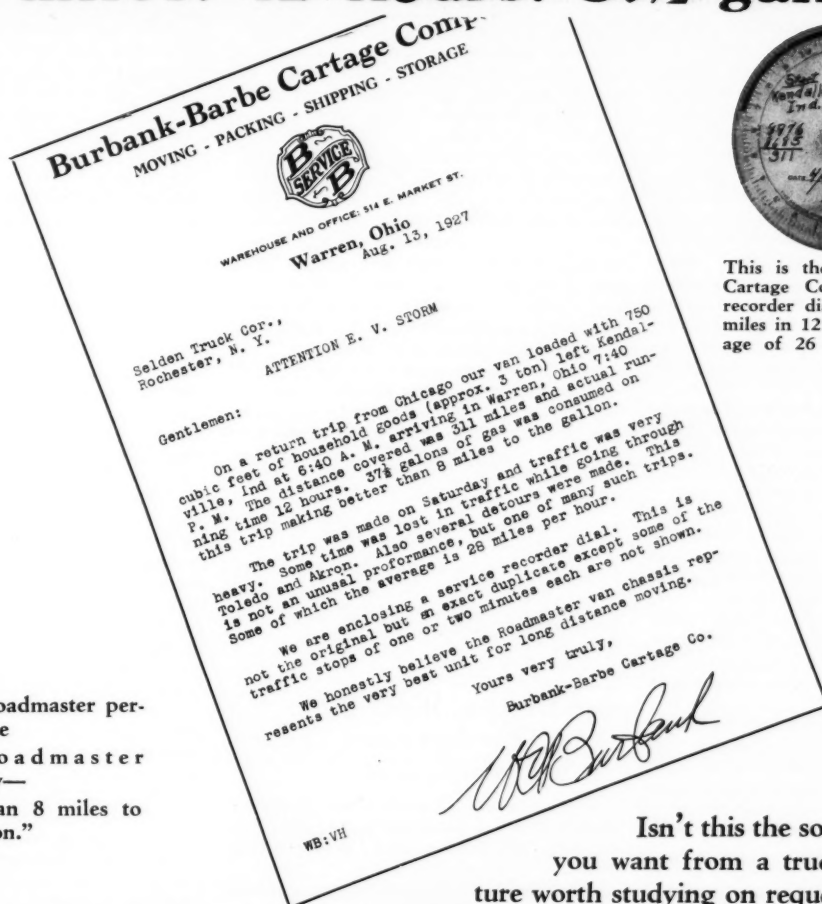
The company is headed by Philip Schaff as president. P. F. Anderson is vice-president and Max M. Hart is secretary.

Information on Tire Care

The United States Bureau of Standards has issued a circular, No. 341, entitled "Use and Care of Automobile Tires," a copy of which may be had for 15 cents by addressing the Superintendent of Documents, Government Printing Office, Washington, D. C.



311 miles: 12 hours: 37½ gallons!



This is the Burbank-Barbe Cartage Company's service recorder dial: It shows 311 miles in 12 hours—an average of 26 miles per hour.

Typical Roadmaster performance

Typical Roadmaster economy—

"better than 8 miles to the gallon."

Isn't this the sort of service you want from a truck? Literature worth studying on request.

Selden Trucks

Selden Truck Corporation

Rochester, New York

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BOSTON: 130-138 N. Beacon Street

TULSA, OKLA.: 202 So. Denver Avenue

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Distribution Figures for Seattle Are Made Public

WOMEN spend more for hosiery than millinery in Seattle, it is revealed in a report on the Governmental trade census of that city published on Dec. 17 by the Domestic Distribution Department of the Chamber of Commerce of the United States.

Nearly \$2,500,000 is spent yearly for women's hosiery, the report shows. Hosiery sales are larger than sales of books, musical instruments, plumbing and heating fixtures, toilet articles, or radio sets.

Women spend twice as much for clothing as men, the new census shows. Women's outerwear ranks first in the city's clothing budget with total sales of more than \$8,500,000.

Seattle's retail expenditures total \$222,000,000 yearly, the report discloses. Largest sales in single commodity classes are for groceries and automobiles.

Gasoline filling stations are selling many kinds of merchandise, including cigars, candy and ice cream, groceries, hardware, meat, dairy products, paint and glass, electrical supplies, fruits and nuts, automobile accessories, bakery products, and china and glassware, the census shows.

Jewelry stores sell arms and ammunition, art goods and antiques, shoes, books and stationery, cigars, men's clothing, china, dry goods, men's hats and caps, musical instruments, trunks and leather goods, office supplies, radio sets, and toilet articles, as well as optical goods and jewelry.

Other types of stores selling numerous commodities are hardware stores with 31 kinds of merchandise, drug with 39, grocery with 48, men's clothing with 38, and dry goods stores with 42.

More than 15,000 retail merchandise outlets are revealed by the census. Although there are only 223 tobacco stores in Seattle, there are 1455 stores in all where cigars may be purchased.

Seattle spends proportionately more for cigars and cigarettes than Denver, Kansas City, Atlanta, Baltimore, or Syracuse, five other cities included in the trade census.

Sales of groceries are lower than in the other cities, while expenditures for meals rank second. Sales of fish and sea food rank first. Seattle spends more for food products as a whole than any city except Baltimore, where food sales are only slightly larger.

Chain stores sell 19 per cent of the city's merchandise, more than in Syracuse and Kansas City, and less than in the other cities. In Atlanta the percentage of business done by chain stores is 30 per cent, in Denver 24 per cent, in Baltimore 22 per cent, in Kansas City 17 per cent, and in Syracuse 14 per cent.

Census figures show that there are 5808 retail stores in Seattle. There are 930 chain stores and 4878 independently owned stores. Average sales per establishment are \$38,000.

Custom tailors do more of the men's clothing business in Seattle than in four

of the cities and slightly less than in Baltimore. Twenty-two per cent of total men's clothing sales are made by custom tailors. Men's clothing stores sell 57 per cent of the total, while department stores sell 14 per cent.

Department stores do a larger business in women's outerwear, making nearly half of the sales. About 12 per cent of the city's total retail expenditures are made in department stores. In Denver the percentage is 16 per cent, in Baltimore 15 per cent, in Atlanta 10 per cent, and in Syracuse 9 per cent.

There are 1168 wholesale establishments, doing a business of \$466,000,000 or more than twice as much as retail trade. The three leading commodities sold at wholesale are groceries, lumber, and hay and feed.

San Francisco Merger

Three companies engaged in warehousing and water transportation on San Francisco Bay, and with assets of nearly \$750,000, have been merged under the control of a new holding organization, the Lawrence Warehouse Co. The concerns combined are the Lawrence Warehouse Co., the Bay Cities Transportation Co. and the Erickson Navigation Co.

Controlling ownership of the three utilities has heretofore been in the Lawrence Warehouse Co. and A. T. Gibson and J. C. Swain. Mr. Gibson becomes president of the new holding organization and Mr. Swain is secretary.

The holding company has an authorized capital of 205,000 shares, made up of 5,000 shares of prior preferred, \$100 par; 50,000 shares of original preferred, \$10 par; and 150,000 shares of no par common.

Installs Plymetl Vault

Hill the Mover, operating warehousing in Toronto, Canada, has installed one of the Haskelite Manufacturing Corp.'s Plymetl furniture vaults.

Construction, Removals, Purchases and Changes

Washington

Grand Mound—United Fruit Growers' Association is planning a \$45,000 cold storage warehouse and refrigerating plant.

Seattle—A. L. Palmer Investment Co. is planning a \$60,000 4-story and basement bonded warehouse, 60 by 180 feet, at 224 Westlake Street.

Wisconsin

Green Bay—Reimer Transfer & Storage Co. has added a 6-cylinder all-enclosed Federal truck to its fleet for short and long distance moving.

Milwaukee—Shinners Bros. Fireproof Storage Co. is building a brick, steel and concrete addition which will virtually double the firm's present capacity.

Portland, Ore., to Have Two Large Warehouse Terminals

TWO important and valuable warehousing, cold storage and terminal plants are nearing completion on the waterfront at Portland, Ore. One, representing an actual investment of \$3,000,000, is the Elrod-Trimble Terminal, on the central west-side frontage of the harbor. The cold storage warehouse, which has a capacity of 300,000 boxes of apples, is now in use, as is also one fully-equipped modern pier. This terminal is being financed and built by J. O. Elrod, of Portland, and J. H. Trimble, of Indianapolis, Ind., with several associates, among them prominent shipping and warehousemen on the Pacific Northwest.

The Oceanic Terminal Co., also at Portland, expects to dispatch its first ship early in the new year. Several hundred bookings have been made for 1928, according to the operators of the terminal, which is expected to handle heavy cargoes of refrigerated fruits and foodstuffs to Oriental markets. The terminal is strategically located—the first plant of its kind on approaching Portland up the river from the sea. It is situated on the broadest part of the river, where there is very little tidal current, and is clear of bridges, with ample room for handling shipping.

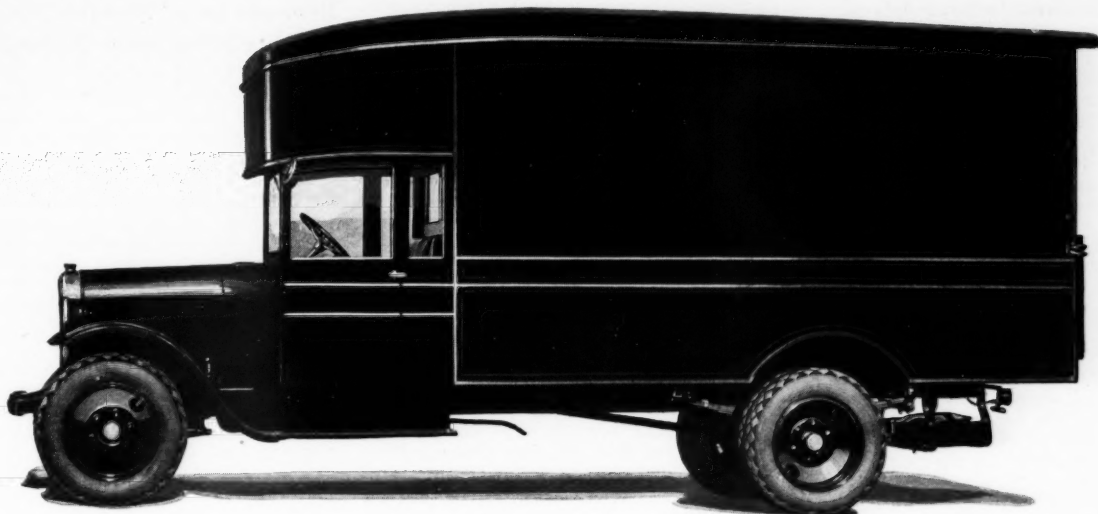
Covering 101 acres, the terminal, with 3000 lineal feet of waterfrontage, provides two warehouses, 550 by 150 feet each, and one warehouse 558 by 120 feet, with an apple house 100 by 200 feet, three stories, with a capacity of 320,000 boxes of apples, the largest single unit of its kind on the Pacific coast. Duplication of this apple house is planned for the future. Two Frick ice machines, with combined capacity of 90 tons daily, and three large fans, with air circulation operating on the Bunker system, handling 80,000 feet of air a minute, have been installed.

Rail connections are abundant, with two high-level and two depressed tracks on each side of the huge apple house. Conveyors handle apples both ways between cars or ships, and apple house and warehouse, or both. Modern equipment has been installed in the three warehouses and the apple house, as well as on the docks.

Officers of the Oceanic Terminal Co. are George Powell, president; T. B. Watson, vice-president; and Captain R. C. Brennan, formerly with the Pacific Steamship Co., superintendent. Captain Brennan will have active operating management of the plant.

Alberta Firm to Build

The MacCosham Storage & Distributing Co., Ltd., Edmonton, Alberta, Canada, has purchased five lots of land near 102nd Avenue and 104th Street, and plants to erect in 1928 a garage and barn, followed in due time by a new warehouse. The property is served with spur track facilities.



NEW SPEED with SAFETY for the BULKY LOADS

Another Graham Brothers truck triumph has been achieved in the 6-cylinder 2-ton truck with 4-speed transmission and 4-wheel brakes (Lockheed Hydraulic).

Fast, safe, comfortable, economical to operate, it has immediately appealed to warehousemen, movers and general truckers.

Prices

2-Ton (6-cylinder) \$1595
1½-Ton - - - 1245
1-Ton G-Boy - 895
¾-Ton Commercial 670
(Chassis prices f. o. b. Detroit)
½-Ton Panel Delivery
Car (Complete) \$770

They know service is available from Dodge Brothers dealers—always and everywhere. They know, too, that a comparable 2-ton truck has never before been sold at so low a price.

For every truck operator's needs, from ½-ton loads to 2-tons, there is a type of Graham Brothers Truck or Commercial Car admirably suited. Bodies, too—built with the same care and skill.

GRAHAM BROTHERS TRUCKS

Sold and Serviced by
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Dealers Everywhere

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WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Distribution Census Gives Figures on Kansas City, Mo.

MORE than a billion dollars changes hands yearly in the wholesale business of Kansas City, Mo., it is revealed in a report on the Governmental trade census of that city, published Dec. 10 by the Domestic Distribution Department of the Chamber of Commerce of the United States.

Wholesale trade is three times as large as retail trade, the report discloses. Live stock is the leading wholesale business, with hay and feed second, and groceries third.

Kansas City's retail expenditures total \$300,000,000 yearly, the new census shows. Largest sales in single commodity classes are for shoes and women's outerwear.

The Missouri city spends proportionately more for shoes, millinery and hosiery than Atlanta, Baltimore, Denver or Syracuse, four other cities included in the trade census.

Nearly 13,000 retail merchandise outlets are revealed by the census. Unusual selling plans are disclosed. Tobacco is being sold in bakeries, women's hosiery in grocery stores, hardware in dry goods stores, radio sets in gasoline filling stations, hats in shoe stores, and shoes in hat stores.

Men's clothing, the report shows, can be bought in stores which sell furniture, women's clothing, leather goods, shoes, cigars, dry goods, groceries, hats, hardware and jewelry, as well as in department stores and restaurants.

Sales of toilet articles are proportionately higher in Kansas City than in any of the other four cities surveyed. Where Kansas City spends a dollar for toilet articles, Denver spends eighty cents, Syracuse spends sixty-five cents, Atlanta, sixty-two cents, and Baltimore, fifty-six cents.

Musical instrument sales rank lower than in the other cities. Less candy and ice cream is also sold. Kansas City ranks high in the sale of dairy products, and low in the sale of groceries. The wholesale grocery trade of the city is nearly six times as large as the retail grocery business.

More automobile parts and accessories are sold in Kansas City than in any of the other cities. These sales amount to \$14,000,000 annually.

Kansas City spends much less for coal and wood than any of the cities in which the business census has been made, while expenditures for furniture and house furnishings are larger.

Chain stores sell 17½ per cent of the city's merchandise—less than in any of the others except Syracuse. In Atlanta the percentage of business done by chain stores is 30 per cent, in Denver 24 per cent, in Baltimore 22 per cent, and in Syracuse 14 per cent.

Census figures show that there are 1327 wholesale establishments and 5373 retail stores. There are 933 chain stores and 4440 independently owned stores. Average sales per establishment are nearly \$56,000, higher than in Atlanta

where the average is \$47,000, Denver with \$40,000, or Baltimore with \$33,000.

Average sales in wholesale establishments are also much higher, being \$800,000, as compared with \$607,000 in Atlanta, \$444,000 in Denver, and less than \$400,000 in Baltimore and Syracuse.

Department stores do 6 per cent of the total retail business, or less than in any of the other cities. Sixteen per cent of total retail sales are made through department stores in Denver, while the percentages in Baltimore and Atlanta are 15 per cent and 10 per cent. In Syracuse department stores do 9 per cent of the total business.

Less was paid out in the form of salaries and wages by Kansas City wholesale establishments than in the other cities. Not quite 4 cents out of every dollar received by Kansas City wholesalers was put into compensation for employees, while nearly 6 cents were for salaries and wages in Denver and Baltimore, and slightly more in Syracuse.

Similar surveys have been made in ten cities representative of different population and business activity, and the results are now being compiled by the U. S. Bureau of the Census. Kansas City was one of the first cities chosen for this experimental census of distribution. Detailed reports have been issued by the national Chamber for five cities, including Kansas City.

Cooperating with the Bureau of Census in the Kansas City canvass were the U. S. Chamber of Commerce and the Kansas City Chamber of Commerce. The Kansas City Chamber contributed practical assistance, both in planning and in making the actual census.

These surveys may lead to a national Census of Distribution, including the whole United States. Alvin E. Dodd, manager of the national Chamber's Domestic Distribution Department, which prepared the Kansas City report, asserts that "nothing is more necessary to orderly marketing than a knowledge of sales—buying ability as reflected in actual purchases."

Cotton Machine Installed

A second \$100,000 cotton-compressing machine has been put into operation at the Los Angeles Compress & Warehouse Co.'s plant at San Pedro, Cal. This installation doubles the compressing capacity of the plant, which is now one of the largest of its kind in the world. More than 200 bales an hour passed through the machines during December, when heavy receipts of cotton from Arizona and the Imperial and San Joaquin Valleys of California were compressed for export.

Packing Glass Tableware

"Slack Barrels and Inside Packing for Glass Tableware" is the subject of Circular No. 21 issued by the Freight Container Bureau of the American Railway Association, 30 Vesey Street, New York City.

Business as a "Service" —and Not as a Commodity

(Concluded from page 51)

expected to alter the methods of a lifetime, just because a warehouseman walks in some fine morning and recommends a change. To embark on warehousing introduces a complete change in business systems and sales methods—even prices for the goods. So fundamental is this that much debate and consideration are inevitable. Small executives must win approval from those higher up; they, in turn, from their superiors; often the directors must be persuaded.

If, on the other hand, the approach is to the top men, even they will not act in so important a matter, without consulting their assistants. At best, the whole organization must be "sold" if the change is to be successful; every employee must be given instructions.

Selling a "service" is quite different from merchandising a commodity. Warehousing, too, is so fundamental with the patron that it is out of the question to undertake it lightly.

When, therefore, Mr. Bush determined to "become a salesman" for his Terminal he took hold of one of the hardest and biggest selling jobs in America: to sell a "service." How well he is doing that job, we all know. And to other warehousemen his undertaking should be an inspiration.

A "service" cannot be "sold" to business America by merely following the well-worn paths of previous salesmen. To solicit the account of a rival warehouse gets nowhere—except to build up ill will and to encourage price cutting. New accounts must be "sold" that is, educated to warehousing—and that type of selling cannot be done in a hurry. High pressure avails little. "Services" can be sold only by repeated solicitation, gradual education of the prospect, such a cumulation of reasons and compelling exhibits as shall give the prospect no escape—he must be persuaded, his fellow officers persuaded, and all internal opposition of selfish origin fought to a finish.

It is no easy task. It is, however, immensely worth while. Until it is done, again in the words of Mr. Bush, warehousing will remain only "an operating proposition, and will bring only the limited reward due to such work," and, "the same degree of intelligence is better paid in the selling force than it is in other departments."

New York Dock Improves

The comparative income statement of the New York Dock Co. for October and the first ten months of 1927 shows an increase of \$11,473 in net income for the month and an increase of \$112,094 for the ten months, as compared with 1926. The figures follow:

	1927	1926
October gross	\$321,237	\$285,082
Net operating income....	169,067	149,672
Net income after charges ..	70,857	59,384
10 months' gross	3,085,928	2,788,778
Net operating income....	1,658,758	1,467,764
Net income after charges ..	661,987	549,893

A USER'S VERDICT— A STANDARD OF COMPARISON



Become a satisfied owner of a Gramm Van—and profit—as others are doing. This letter is just one of many sent to us by satisfied Gramm users.

They are our *biggest* boosters.

Write or wire us for complete specifications of our chasses and bodies. There is a size to answer your requirements.

*Appearance
Counts!*

SCB-HB



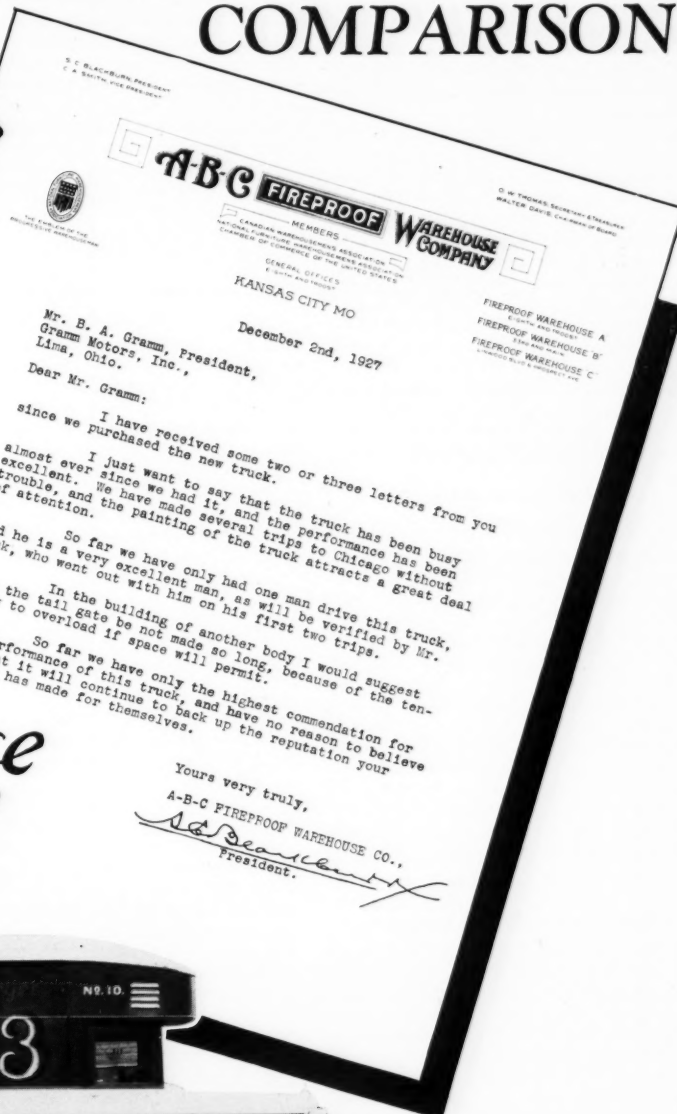
GRAMM MOTORS, INC.

BUILDERS of FINE MOTOR TRUCKS and COACHES

EXECUTIVE OFFICES: LIMA, OHIO

FACTORY: DELPHOS, OHIO

Member Motor Truck Industries, Inc., of America



Mr. B. A. Gramm, President,
Gramm Motors, Inc.,
Lima, Ohio.

December 2nd, 1927

Dear Mr. Gramm:

I have received some two or three letters from you since we purchased the new truck.

I just want to say that the truck has been busy almost ever since we had it, and the performance has been excellent. We have made several trips to Chicago without trouble, and the painting of the truck attracts a great deal of attention.

So far we have only had one man drive this truck, and he is a very excellent man, as will be verified by Mr. Mack, who went out with him on his first two trips.

In the building of another body I would suggest that the tail gate be not made so long, because of the tendency to overload if space will permit.

So far we have only the highest commendation for the performance of this truck, and have no reason to believe but what it will continue to back up the reputation your company has made for themselves.

Yours very truly,

A-B-C FIREPROOF WAREHOUSE CO.,
President.

Ohio Supreme Court Ruling Affects Trucking in State

THE Ohio Supreme Court, in the recent case of the Miami Valley Transit Corp. against the Ohio Public Utilities Commission, handed down a decision which affects the holders of certificates of convenience and necessity to operate motor truck lines in Ohio and which is expected to work toward more strict compliance with the law as well as with the rulings of the Ohio Utilities Commission.

The Miami Valley Transit Corp. had filed a petition with the Commission for a revocation of the certificate of F. J. Mayo, who operated a short route between Cincinnati and points north. It was charged that Mayo had failed to comply with the rulings of the Commission in a number of respects, had failed to pay the tax required by the law, and had abandoned a portion of the route for which the certificate was issued. After a hearing the Commission refused to revoke the certificate, saying that while certain irregularities were disclosed they did not appear to be so glaring as to warrant a revocation.

The Higher Opinion

The Ohio Supreme Court, to which the case was appealed, took an entirely different view and handed down the following syllabus:

"Where a motor bus or motor truck operator either operates equipment which he is not authorized under his certificate to operate; or fails to pay into the treasury of the State the tax (required by Sec. 614-94) upon the equipment which he is actually operating; or abandons operation over a portion of his route without approval by the Commission, as required by law, good cause for revocation of the certificate is thereby established."

Brooklyn Bridge Co. Expands

William Fellows Morgan, Jr., president of the Brooklyn Bridge Freezing & Cold Storage Co., New York, has purchased the four-story and five-story warehouses at 9-13 Hague Street and 108-112 Cliff Street, a corner property. Plans call for extensive improvements in conjunction with the company's eight-story plant at 24-26 Vandewater Street and in the arches underneath the Brooklyn Bridge and with property acquired two months ago—warehouse buildings at 16-20 Vandewater Street and 109-115 Cliff Street.

Goods Loaded Through Ship's Ports

The National Freight Forwarding Co., carload consolidators of household goods and automobiles for shipment to and from New York and California via the Panama Canal, advises that the California, the new liner of the Panama-Pacific Line, will make its first trip to the Pacific Coast, starting from New York on Jan. 28.

This vessel, the largest American-built ship afloat and the largest electrically-driven commercial boat in the world, is provided with side ports to facilitate the handling of crated household goods and automobiles unboxed. The ports are opened on a level with the dock, and a runway from the dock to the port permits loading in the way a freight car is loaded, thus eliminating use of cargo swings. The ship's electrical propulsion insures a minimum of vibration. Two other ships like the California are on order.

Warehousemen will be invited to inspect the California through arrangement with the National company's president, Ben Brown, at 1 Broadway, New York.

William J. Murphy Dies

William J. Murphy, who at the time of his retirement in 1919 was secretary and treasurer of the Lincoln Safe Deposit Co., now the Lincoln Warehouse Corp., New York, died in December. He was a widower, about 65 years old, and was a life member of the New York Athletic Club, where he had lived for ten years. Throughout most of his business career Mr. Murphy was associated with the Lincoln company.

Morris Draws Lessons from Mellish Fire in New York

THE danger of leaving any gasoline in tubes or tanks of automobiles placed in dead storage in warehouses was emphasized by Charles S. Morris, president of the Metropolitan Fireproof Warehouses, Inc., New York, in a talk, at the December meeting of the New York Furniture Warehousemen's Association, on the November fire which destroyed more than 800 automobiles and resulted in destruction of \$2,000,000 worth of building and contents and in the loss of the life of Jay A. Mellish, who operated the property.

In drawing a lesson which he said the warehouse industry should learn through the Mellish blaze, Mr. Morris said he had investigated the circumstances in his capacity as chairman of the New York association's insurance committee and that, as a result of what he had ascertained, his own company now removed the caps from the gasoline tanks of all automobiles brought into dead storage, with a view to preventing explosions in the tanks should the latter be subjected to undue heat. Each cap is tied to the tank for identification.

Mr. Morris explained that although a motor car's tank may be entirely emptied when the automobile is placed in dead storage, more or less of the fluid is apt to be remaining in the tubes and this drains eventually into the tank. With the tank cap left off, as is the new policy of the Metropolitan company, the gasoline that has drained from the tubes has opportunity to evaporate.

Furniture Warehousing Would Control Inter-City Removals

(Concluded from page 29)

to meet the standards of service required by the company, would be subject to expulsion or fine.

Mr. Gilbert emphasized that speed was necessary in forming the incorporation because it was the committee's desire to place display advertising in the 1928 telephone "red book," which would go to press about Jan. 1. He declared also that the N. F. W. A. would be watching the minutes of the New York association's meeting, and that if an incorporation were formed it would serve as a pattern for the one contemplated by the National. In reply to a question he said that all jobs over either 50 or 100 miles, as may be determined by the directors, would be turned in by the agents to the inter-city removals bureau for handling by the new incorporation.

The sum of \$2,500 would be necessary to finance the project for the first six months, Mr. Gilbert said. Of this, \$1,500 would be expended for the "red book" advertising and the other \$1,000 would be spent for printing circulars to be distributed to the agent-warehouses for dissemination by mail to customers and prospects.

\$2,500 Appropriated

William T. Bostwick moved that the association vote to advance \$2,500 to the incorporation, the latter to be incorporated for 500 shares of stock of no par value, this stock to be given as collateral for a note from the corporation to the New York association for the advance of the \$2,500 loan. Mr. Gilbert moved that Ernest H. Milligan, the association's president, appoint seven men to serve as incorporators and directors of the incorporation. Both motions were unanimously adopted. It developed that the association would have to sell the Liberty bonds in its treasury in order to make the loan to the incorporation. Mr. Gilbert indicated that there would be advertising, rates and contract committees appointed and that a meeting of the agents' estimators would be held to acquaint them with the plan.

Mr. Milligan subsequently appointed, as the seven directors, Mr. Gilbert, who is manager of the Gilbert Storage Co., Inc.; Thomas F. Murray, president of Day & Meyer, Murray & Young, Inc.; H. J. Schlobin of Lee Brothers, Inc.; Louis J. Etzel, treasurer of the Columbia Storage Warehouses; William T. Bostwick, president of the Thomas J. Stewart Co. and secretary of the association; Wilbur J. Whelan, secretary of the Atlantic Storage & Warehousing Corp. of Brooklyn; and Charles Morgan of Morgan & Brother. Mr. Milligan, who is president of Lee Brothers, Inc., serves as an *ex officio* member. All these companies are members of the National Furniture Warehousemen's Association.

Read what your own members say

J. W. POWELL
PRESIDENT

BUFFALO, N. Y.

December Thirteenth
Nineteen Twenty SevenAtterbury Motor Car Co.,
Elmwood Avenue
Buffalo, N. Y. Att: J. R. Spraker, Pres.

Gentlemen:-

It is our pleasure to inform you that our Atterbury "Big Six", recently purchased from you, is more than exceeding our expectations in speed and performance.

It has made quite a number of trips of one thousand miles or more each, with all the speed that it is safe to use on the highways with maximum loads.

We have experienced absolutely no difficulty with this car mechanically and we have every reason to believe that the truck is One Hundred Percent.

COLD SPRING STORAGE CO., Inc.

For

President

JWP/M



Specifications

MOTOR:

6 cylinder, 3— $\frac{7}{8}$ x5,
heavy duty.

TRANSMISSION:

4 speeds, Timken
Bearings

REAR AXLE:

Timken Worm Drive

TIRES:

34x7 front, 34x7
dual rear pneumatics

About the ATTERBURY BIG SIX

Then use your own good judgment



O. J. GLENN & SON

Everything in the Line of Moving

CARTING PACKING STORAGE

1400 W. 4th Street Buffalo, N. Y.

December 16, 1927

Mr. J. R. Spraker,
President, Atterbury Motor Car Co.,
Elmwood & Hertel Aves.,
Buffalo, N. Y.

Dear Mr. Spraker:

The 3 ton BIG 6 is our 17th Atterbury and from a warehouseman's standpoint I congratulate you on its design.

We have already put it over the road on some long, fast hauls with capacity loads and it certainly has proved out wonderfully well.

Our drivers like it, our cost department likes it, and its speed and easy riding is making our customers like us more than ever. It looks to me like the IDEAL warehouseman's truck.

Yours very truly,

O. J. GLENN & SON

By:



Write us direct
for special propo-
sition to fleet owners.

ATTERBURY MOTOR CAR COMPANY

The Oldest Exclusive Truck Builders in America

Elmwood Ave. at Hertel

Buffalo, N. Y.

McConnell to Erect 30-Story \$3,000,000 Chicago Building

THE McConnell Warehouse Co., headed by George M. McConnell, president of the Railway Terminal & Warehouse Co., Chicago, is planning to build a \$3,000,000 30-story structure to be known as the Drug and Chemical Building, in the block bounded by Austin Avenue and Orleans, Illinois and Kingsbury Streets, on Chicago's North Side. Fifteen stories will be built for the present, with work to start in the spring, it is announced, and the modern trend in architecture will be followed—the roof irregular, with various sections of the building reaching different heights.

Part of the structure will be operated by the McConnell Warehouse Co. as a merchandise storage unit. The balance will resemble a modern office building and will include office space, restaurant, telegraph offices, barber shop, etc.

The site was purchased in part from the Chicago, Milwaukee & St. Paul Railway, which will have switch tracks into the building.

The Chicago Drug & Chemical Association at a recent meeting indorsed the project, as did the Chicago Perfumery, Soap and Extract Association, while the Chicago Chemical Society may establish headquarters and club facilities in the new building.

Mr. McConnell was an army colonel during the World War, in charge of operation of the Government's warehouses. Besides heading the McConnell Warehouse Co. and the Railway Terminal & Warehouse Co., he is president of the C. & A. Terminal Warehouse Co., of the Central Storage Corp., and of the Ontario Warehouse Co., all in Chicago.

Warehouse Handling Freight Is Shipper Under I. C. C. Act

(Concluded from page 67)

question which, under the interstate commerce Act, the Commission must decide. . . .

"The question remains whether the defendant's practice of making the Terminal company an allowance for the terminal services here considered and refusing it to other shippers and receivers results in unjust discrimination against complainant and in undue and unreasonable preference and advantage to the Terminal company. Very little need be said to demonstrate that such discrimination does result from the arrangement now in effect. Both companies, as merchandise warehouses, derive the greater part of their revenue through arrangements with manufacturers and wholesalers outside of Maryland, under which goods are shipped into the warehouse at Baltimore, there separated, and distributed in less-than-carload lots by rail, truck or other means. There are various incidental services, such as the necessary bookkeeping and insurance. An aggregate charge is made for the entire transaction, which includes the

transportation. By reason of its allowance the Terminal company can quote an aggregate charge lower than complainant, which must either shrink its charge in the amount of the allowance or stand the risk of losing the business. The evidence shows that in many instances the complainant has lost customers because of the lower charge of the Terminal company. Defendant does not attempt to refute this evidence, relying upon the Commission's original finding that complainant has no relation with a common carrier which could result in a discrim-

William R. Kissick



Secretary of the Neal Fireproof Storage Co., Cleveland, Mr. Kissick was recently elected president of the University Circle Kiwanis Club, Cleveland.

ination against it in violation of the interstate commerce Act. . . .

"Upon the present record, the Commission should find that the Terminal Warehouse Company and the complainant are shippers and receivers of freight; that complainant is a person within the meaning of section 2 of the Act, and a corporation within the meaning of section 3 of the Act, and is entitled under section 13 of the Act to petition for relief from violations of the Act. . . .

"The Commission should further find that defendant's practice of making an allowance to the Terminal Warehouse Company for performance of terminal services in connection with the loading and unloading of carload package freight at Baltimore and refusing to make the same allowance to complainant and other warehouse companies performing similar services results in unjust discrimination in violation of section 2, and undue prejudice to complainant in violation of section 3, of the interstate commerce Act."

—H. D. R.

New Buildings Description No. 116—Lee Brothers, Inc.

(Concluded from page 43)

protected by revolving doors, and the windows will have Crittall casement sash.

The offices will be finished in an elaborate manner, containing travertine walls, terrazzo floors, Belgium black marble counters, bronze gates, and nicely decorated ceilings. Space for six desks has been provided back of the counter, as well as a glassed-in compartment for the switchboard operator; also there will be two private offices. An ornamental iron stairway will lead to a mezzanine floor; on this floor will be a ladies' rest room and lavatory and a men's lavatory and locker rooms. Back of the office section, opening directly from the 134th Street viaduct, a second loading and receiving platform will be located. Direct connection will be maintained by means of a telephone system and pneumatic tubes between the seventh floor office section and the first story shipping clerk's office.

The entire eighth story is to be given over to piano storage. The ninth will be separated in a manner similar to that of the third and fourth stories, while the tenth, eleventh, twelfth, thirteenth and fourteenth stories will be separated into individual fireproof compartments for the purpose of household storage.

The street frontage of the exterior, above the viaduct level, will be faced with glazed terracotta, a cream white in color. At night it will be flood lighted, thus enhancing the beauty of the warehouse proper and the surroundings thereto.

With the commanding situation that this imposing warehouse possesses it undoubtedly will prove a notable addition to New York City's skyline, as well as to its architecture.

This structure was designed by George S. Kingsley, warehouse architect, and will be erected under the direction of Kingsley Service, Inc., of New York City.

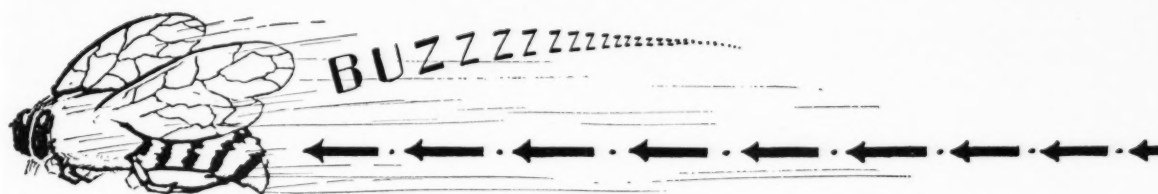
King a Convention Delegate

Tarrant P. King, president of the Northern Avenue Dock & Stores Corp., Boston, represented Boston at the fourth conference of local association presidents of the National Association of Building Owners and Managers in St. Louis on Dec. 8-10. The conference discussed major problems affecting ownership and operation of the country's greatest buildings.

Mr. King plans to attend the organization's annual convention next June, also in St. Louis.

"Mike" Murray Marries

M. J. Murray, Chicago manager of the Trans-Continental Freight Co., and Miss Frances Patricia Ward, who was connected with the Trans-Continental, were married in Chicago on Nov. 9. They went to Bermuda on their honeymoon. Mr. Murray is chairman of the traffic committee of the National Furniture Warehousemen's Association.



He makes more mileage by traveling in a "bee line" . . . so does the tire that travels on a Budd Dual!

MORAL

IF your trucks aren't rolling off all the miles they should from a set of tires, put them on BUDD DUALS! The owners of 125,000 buses and trucks are getting from 15,000 to 20,000 miles (and more) to the set of tires on BUDD DUALS. So can you!

BUDD DUALS

**can't
wobble**



*can't
shimmy*



and
they stop
side-sway



BUDD WHEEL COMPANY, DETROIT

Construction, Removals, Purchases and Changes

Alabama

HUNTSVILLE—Dixie Warehouse & Storage Co. is planning a \$30,000 addition to its plant on West Clinton Street.

Selma—City Council plans a \$75,000 river terminal, with warehouse and wharf.

California

Bakersfield—Kern County Ice Co., recently organized, has plans for a \$75,000 cold storage and ice plant.

Burbank—Burbank Transfer Co. has been sold by F. A. Mullens to S. C. Cowan of Los Angeles. Mr. Mullens will continue as local agent of the firm, which will have headquarters in Los Angeles.

Long Beach—Blue Line Transfer Co. is occupying, under lease from the Los Angeles Dock & Terminal Co., warehouses containing total floor space of 28,500 square feet, on Pico Street near Seventh Street, Long Beach.

Los Angeles—Board of Harbor Commissioners will erect a \$45,000 1-story addition, 100 by 105 feet, to its warehouse and transit building at Berth 90, San Pedro Harbor.

Los Angeles—Merchants' Ice & Cold Storage Co. is having plans drawn for a \$100,000 2-story and basement cold storage warehouse and ice plant, 54 by 72 feet, on Seaton Street.

Los Angeles—Westland Warehouses, Inc., announces the appointment of R. Russell Hemig as special representative to take care of increasing business.

Oakland—City Port Commission will erect a \$190,000 1-story warehouse and pier shed on Grove Street.

Richmond—Parr Terminal Co. and the City Council have plans for a \$475,000 project to include a warehouse and cargo building, 150 by 800 feet, and an 800-foot wharf on the waterfront.

Salinas—Pajaro Valley Ice & Cold Storage Co. of Watsonville has plans for a \$200,000 cold storage warehouse and ice plant on the Los Angeles Highway, Salinas.

South Pasadena—Oneonta Transfer & Storage Co. has plans for a \$30,000 3-story addition to its warehouse at 812 Fremont Street. The structure will be 57 by 100 feet.

Florida

Jacksonville—Bacon & Hoyt Realty & Investment Co. has filed plans for a \$15,000 1-story bonded warehouse on Liberty Street.

Idaho

Caldwell—Idaho Egg Producers' Association has plans for a \$40,000 2-story and basement cold storage warehouse, 50 by 100 feet.

Illinois

Chicago—East Chicago Dock Terminal Co., recently formed as a subsidiary of the Interstate Terminal Warehouses, Inc., of Cleveland, Ohio, has acquired

16 acres in the Calumet district, with 1500 feet of frontage along the Indiana Harbor Canal, and will construct terminal warehouses and a dock. The completed project is estimated to cost \$2,000,000.

Chicago—Pershing Road Warehouse Co. has taken out a permit for a \$100,000 2-story warehouse, 85 by 175 feet, at 3900 Pershing Road.

Chicago—Remer's Express & Van Co. is building a \$60,000 5-story and basement warehouse at 5822-24 North Western Avenue.

Chicago—Underwriters' Salvage Co. has filed plans for a \$325,000 6-story warehouse, 125 by 125 feet, at 215-227 Laffin Street.

Indiana

Michigan City—New York, Chicago & St. Louis Railroad is completing plans for a \$100,000 1-story warehouse and freight house.

Kansas

Wichita—Wible Ice Co. has filed plans for a 1-story and basement cold storage warehouse.

Kentucky

Louisville—Louisville Public Warehouse Co. has begun construction of an \$80,000 warehouse at Tenth and Hill Streets.

Louisville—Louisville Storage Co. has arranged for an increase in capital to \$12,000.

Louisiana

New Orleans—Tulane Ice Co., Inc., has completed plans for a \$50,000 1-story cold storage warehouse and ice plant, 85 by 86 feet, on Marias Street.

Maryland

Crisfield—Consumers' Ice Co., operating a cold storage warehouse and ice plant, has filed notice of change of name to Consumers' Public Service Co.

Michigan

Detroit—Continental Warehouse Co. has filed notice of company dissolution under State laws.

Minnesota

Minneapolis—Great Northern Railway Co. has plans for a \$100,000 warehouse and express station opposite the Union Depot.

Mississippi

Gulfport—O. K. Transfer Co. has filed plans for a \$20,000 1-story fireproof warehouse on Twenty-eighth Avenue near Thirteenth Street.

Missouri

Kansas City—J. R. Hulse Transfer & Storage Co. has added two stories to its fireproof warehouse at 1912 East Fifteenth Street.

(Concluded on page 84)

New Incorporations Within the Industry

Alabama

BIRMINGHAM—White's Transfer & Storage Co. Storage warehousing and transfer. Capital not stated. Incorporators, E. M. White and J. C. White.

Georgia

Waynesboro—Neely Bonded Warehouse, Inc. Storage warehousing. Capital \$50,000. Incorporators, E. C. Neely and A. W. Neely.

Illinois

Galesburg—Corn Belt Warehouses. Household goods and merchandise warehousing. Fred W. Bohl heads the company.

Kentucky

Winchester—Merchants Warehousing Corp. Capitalization, \$5,000. Incorporators, D. T. Matlock, W. M. Wolcott and Fred Wolcott.

Louisiana

New Orleans—Jefferson Co., Inc. Storage warehousing. Capital, \$25,000. Incorporators, James H. Legendre and J. C. Lyons.

Massachusetts

Boston—Twin City Motor Freight. Transfer and express. Augustus J. Nelson and Frank E. Price head the company.

Holbrook—Peerless Motor Express, Inc. Transfer and express. Capital, \$10,000. John J. Barry is president and Howard E. Pawlowski is treasurer.

Missouri

Fulton—Fulton Ice Co. Cold storage warehouse and ice. Capital not stated. Incorporators, A. S. Johnson and S. A. Mitchell.

Kansas City—Economy Storage & Warehouse Co. Merchandise and cold storage warehousing. Capital, \$36,000. Incorporators, Robert L. Pendleton and associates, of Raytown.

Raytown—Economy Storage & Warehouse Co. Storage warehousing. Capital, \$36,000. Incorporators, Robert L. Pendleton, Howard L. Grubb and Andrew Smith.

Savannah—Savannah Ice & Fuel Co. Cold storage warehouse and ice plant. Capital not stated. Incorporators, W. L. Chamberlain, L. I. Schultz and F. L. Goetz.

St. Louis—D. Kleiner Moving, Storage & Warehouse Co. Warehousing and moving. Capital not stated. Incorporators, David Kleiner, Joseph P. Hennessey and R. A. Walker.

New York

Buffalo—Leonard Warehouses of Buffalo, Inc. Storage warehouses, etc.

(Concluded on page 84)



Two of the 3-ton Fruehauf Semi-Trailers used by the O.K. Storage & Transfer Company of New Orleans, in hauling extra large loads of household furniture. By means of the Fruehauf 2-Wheel "Dolly" the second Semi-Trailer is converted into a 4-Wheel unit—enabling the Tractor Truck to pull both Trailers easily and economically.

FRUEHAUF LEADERSHIP

FOR YOU, the prospective purchaser of low-cost haulage units, there is much food for thought in the fact that Fruehauf Trailers hold the leadership of the Trailer industry—

Leadership in quality
Leadership in economy of operation
Leadership in sales

WHEN YOU invest in Fruehauf Trailers, you have the satisfaction that is always enjoyed by those who buy the best product in any line of merchandise.

YOU HAVE the confidence-inspiring knowledge, also, that the financial standing of the Fruehauf Trailer Company is a guarantee of stability—that back of your Fruehauf Trailers is a sound and seasoned organization, vitally interested in your satisfaction as a Fruehauf user.

Oldest and largest Manufacturers of Trailers. Write us for details about Semi-Trailers, 4-Wheel Trailers, Pole Trailers or Heavy-Duty Carryalls.



Many of the most progressive haulers in the Distribution and Warehousing field use Fruehauf Trailers to speed deliveries and cut costs.

FRUEHAUF TRAILER COMPANY—10936 Harper Ave., Detroit, Mich.

Branches and Distributors in All Principal Cities

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Removals, Purchases and Changes

(Concluded from page 82)

St. Joseph—Brown Transfer & Storage Co. has filed plans for a \$28,000 1-story motor truck service and garage building, 70 by 150 feet.

St. Louis—Polar Wave Ice & Fuel Co. has filed plans for a \$65,000 1-story cold storage warehouse, 75 by 130 feet.

New Jersey

Rutherford—William McCullough Trucking Co. has acquired property at Paterson and Currie Avenues and plans early erection of a \$65,000 warehouse.

New York

Buffalo—Leonard Warehouses of Buffalo, Inc., recently incorporated, will expand its plant at 159 Georgia Street.

New York City—Capitol Storage Furniture Warehouse has taken over, under lease, the 6-story building at 309-311 West Forty-first Street and plans to occupy it early in 1928 as a branch after remodeling.

New York City—Good Gulf Rice Co., Inc., is the new name of the Connell Rice Warehousing & Commission Co.

New York City—Mooney Storage & Warehousing Corp. has changed its name to the Mooney Contracting Co.

New York City—Port of New York Authority is considering construction of a public freight terminal and storage and distributing plant on a site to be selected. The initial unit would be a \$400,000 1-story building, 200 by 500 feet.

New York City—Republic Storage Co., Inc., has taken over, under lease, an 8-story building in the Holland Tunnel zone. The structure has frontages on Washington, Barrow and Morton Streets and has a floor area of 200,000 square feet. The company plans to occupy several floors and sublet the remainder.

New York City—United Refrigeration & Storage Corp. has plans for a \$25,000 1-story cold storage warehouse, 60 by 125 feet, at 471-473 West 128th Street.

North Carolina

Asheville—Southeastern Express Co. has acquired a building at 396 Southside Avenue and will establish headquarters there.

Ohio

Cleveland—Federal Refrigeration Co. is erecting a \$450,000 7-story cold storage warehouse, 200 by 200 feet.

Cleveland—New York, Chicago & St. Louis Railroad Co. has filed plans for a \$150,000 1-story storage and freight house, 80 by 460 feet, on Broadway.

Cleveland—Wahl Moving & Transfer Co. is planning a \$75,000 warehouse.

Dayton—National League of Commission Merchants is cooperating with the Pennsylvania Railroad Co. in constructing a \$400,000 2-story cold storage warehouse and fruit terminal.

Findlay—Swisher Brothers have taken over under lease, and are now occupying, the building formerly occupied by the Findlay Engineering & Manufacturing Co., at 461 East Main Cross Street. The 12,000 square feet of floor space will be used for both merchandise and household goods storage.

Toledo—Great Lakes Terminal Warehouse Co. has plans for a \$1,000,000 7-story and basement cold and dry storage warehouse, to contain 86,500 square feet, at Morris and William Streets.

Oregon

Portland—Crystal Ice & Storage Co. has filed plans for a \$35,000 building at 140 Grand Avenue.

Portland—Oregon - Washington Railroad & Navigation Co. has filed plans for a \$25,000 warehouse at the foot of Sheridan Street.

Pennsylvania

Carlisle—Security Warehouse Co. plans to rebuild that part of its warehouse recently wrecked by fire with an estimated loss of \$15,000.

Philadelphia—Quaker City Cold Storage Co. has completed plans for a \$1,000,000 11-story cold storage warehouse on Delaware Avenue.

Tennessee

Knoxville—Rowe Transfer & Storage Co. has filed plans for extensions and improvements, to cost \$35,000, in order to remodel its building at 415-417 North Gay Street exclusively for storage service.

Memphis—Memphis Cold Storage Co. has completed plans for a \$50,000 1-story addition to its cold storage warehouse.

Texas

Amarillo—M. & L. Transfer Co. is considering rebuilding that part of its warehouse recently wrecked by fire with an estimated loss of \$125,000.

Corpus Christi—Port Compress Co. has arranged for an increase in capital to \$350,000 from \$250,000.

Dallas—Quality Ice Co. has filed plans for a 1-story addition to its cold storage warehouse and ice plant.

Fort Worth—Southland Ice Co. has filed plans for a \$20,000 cold storage warehouse.

Galveston—Cotton Concentration Co. has plans for two additional units to its warehouse on Avenue H, to cost about \$95,000.

Houston—Universal Terminal Warehouse Co. has plans for a \$150,000 2-story warehouse, 150 by 260 feet, at Elder and Washington Streets.

Palestine—Independent Ice Co. is planning a \$19,000 1-story cold storage warehouse addition.

San Antonio—City Ice Co. is planning a \$40,000 cold storage warehouse and ice plant at Toudouze Street and Pleasanton Road.

Victoria—New York Buyers' Associa-

New Incorporations Within the Industry

(Concluded from page 82)

Capital, 1000 shares of stock of no stated par value. Incorporators, Wallace P. Dunlap, Margaret Leonard and Franklin R. Brown. Mr. Dunlap is manager and operating executive of Leonard Warehouses, Inc., which the new firm succeeds.

New York City—City Service Trucking & Warehouse Corp. Warehousing and trucking. Capital, 100 shares of stock, no par value. Incorporator, Nathan Berk.

New York City—Du Pont Terminal Co. Terminal warehouses. Capital, \$25,000.

New York City—Robert Gladstone, Jr. Freight and express terminals and warehousing. Capital, \$50,000. Incorporators, Robert Gladstone, Jr., and L. H. Rowe.

Ohio

Cleveland—Long Distance Moving Exchange Bureau. To secure information regarding shipments of freight, household goods and other wares and merchandise between Cleveland and outlying points and to secure contracts for the hauling of all kinds of merchandise. Capital, \$50,000. Incorporators, C. J. Coleman, C. R. Bates, J. H. McArthur and Fritz Hillton.

Toledo—Mid-West Motor Transit, Inc. To operate commercial haulage and trucking lines in Toledo and vicinity. Capital, 250 shares of stock, no par value designated. Incorporators, William F. Miller, J. T. Raabe and B. O'Brien.

Tennessee

Memphis—Dunbar Transfer Co. Capitalization, \$5,000. Incorporators, John A. Costigan, W. B. Barfield, J. Gordon Therfeld, Mrs. Annie G. Costigan and Irvin Clement.

Memphis—Hollywood Ice & Fuel Co. Cold storage warehouse and ice plant. Capital, \$15,000. Incorporators, O. E. Johnson and Vance M. Thompson.

Wisconsin

Milwaukee—Milwaukee Motor Livery, Inc. Capitalization, \$25,000. Incorporators, Otto Prieser, Walter Feavel and Helen Prieser.

tion has acquired the cold storage warehouse of the Hill-O'Connor Co. and is reported planning expansion.

Wichita Falls—Tarry Warehouse & Storage Co. is the new name of Tarry-Martin, Inc.

West Virginia

Fairmont—North Pole Ice Co. is considering erection of a \$30,000 cold storage warehouse and ice plant at Bridge Street and Monticello Avenue.